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INTER-ALLIED
REPARATION
AGENCY

First Report
of the Secretary General
for the year

1946

INTER-ALLIED REPARATION AGENCY
FIRST REPORT OF THE
SECRETARY GENERAL

INTER-ALLIED REPARATION AGENCY

FIRST REPORT
OF THE SECRETARY GENERAL
FOR THE YEAR
1946

... "that Germany be compelled to compensate to the greatest possible extent for the loss and suffering that she has caused to the United Nations, and for which the German people cannot escape responsibility" . . .

From the Potsdam Declaration

PRINTED FOR THE INTER-ALLIED REPARATION AGENCY

1947

THE Inter-Allied Reparation Agency was established by the Paris Agreement signed on 14th January, 1946. Its function is to ensure an equitable distribution, in accordance with the provisions of the Paris Agreement, of the total assets which are, or may be declared available as reparation from Germany, among the 18 member nations entitled to reparation to compensate for the loss and suffering caused by Germany.

The chief forms of reparation envisaged by the Paris Agreement are:—

Industrial Capital Equipment
German External Assets
Merchant Shipping
Inland Water Transport
Captured Enemy Supplies
Current Production.

The Inter-Allied Reparation Agency consists of an Assembly comprising a representative of each of the 18 Signatory Governments, and an international Secretariat.

The 18 Signatory Governments are as follows:

Albania	United Kingdom
Union of South Africa	Greece
Australia	India
Belgium	Luxemburg
Canada	Norway
Denmark	New Zealand
Egypt	The Netherlands
United States	Czechoslovakia
France	Yugoslavia

INTRODUCTION

After the First World War, the Allies failed to carry through an effective programme of reparations from Germany. That must not happen again. Vigorous co-operation between the Occupying Powers in Germany and the Inter-Allied Reparation Agency can assure that it will not happen again.

The large purposes which underlie the reparation programme, as laid down at Potsdam, remain valid. The Occupying Powers have expressed their determination to make sure that Germany remains disarmed and that the German people discharge their responsibilities for war damage and suffering. But for the nations entitled to reparation from Germany, there is another consideration—the effect of German reparation on their own economic reconstruction and progress.

Many of the Allied nations, especially those physically damaged by the war, are in urgent need of industrial capital equipment. Largely because of the limited supplies of such items on the world markets, partly because of economic difficulties, these countries are unable to obtain the machines they want through normal channels of trade. At this time, their chief hope for getting such machines is through German reparation.

Germany is neither entitled to use, nor economically in a position to use much of the industrial plant built under the Nazi regime. This equipment can be put to productive peace-time use if it is promptly transferred to countries that need it and can use it. The member nations of I.A.R.A. know that reparations can never represent more than a small part of their reconstruction needs. They are all relying primarily on the efforts of their own peoples for post-war recovery. But industrial reparations immediately available can significantly aid their recovery.

Nations entitled to substantial amounts of German industrial capital equipment as reparation cannot adequately plan their national reconstruction until they have at least an approximate idea as to how much equipment they are likely to receive from Germany, and when. They cannot afford to delay essential industrial projects for years in the hope of some day receiving German equipment. They must act now to increase production and raise the living standards of their people.

I.A.R.A. cannot delay its work. The German reparation programme will contribute to the early stabilization of the world economy only if it is executed rapidly.

The signatories of the Potsdam Agreement wisely laid down the principle of speedy execution of the reparation programme. The pace of reparation in the ensuing period has not met their anticipations. It is for this reason that I have emphasised in the pages which follow the importance of accelerating the rate of release of industrial reparations to I.A.R.A. by the Occupying Powers in Germany.

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N. E. P. SUTTON,
Secretary General.

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SUMMARY

The Allied Powers which signed the Potsdam Declaration⁽¹⁾ recognised that speed was an important factor in carrying out the German reparations programme by agreeing that the Occupying Powers should determine within six months from August 1st, 1945, the amount of industrial capital equipment to be removed from Germany as reparations⁽²⁾, and by allowing two years thereafter for the physical removal of that equipment. Special provision was also made for advance deliveries to begin immediately. The Paris Agreement⁽³⁾, under which the Inter-Allied Reparation Agency (I.A.R.A.) was established, likewise aimed at an early completion of the reparation task. Those countries entitled to reparation were particularly anxious that available industrial capital equipment should be distributed rapidly. It was clearly difficult for them to plan their economic reconstruction soundly until they knew the approximate rhythm and quantity of industrial reparations which would be made available. Any unnecessary delay in the carrying out of the reparation policy meant delay in world recovery.

It was with a sense of urgency that the I.A.R.A. Secretariat was organised and began to function from its Headquarters in Brussels early in February, 1946. The first session of the I.A.R.A. Assembly, comprising Delegates of 18 countries entitled to reparations, began in Brussels on February 28th, 1946.

The first reparation assets from Germany were released to I.A.R.A. by the Tripartite Merchant Marine Commission in February, 1946. These consisted of 686,000 gross tons of German Merchant Shipping. On May 25th, 1946, the Member Governments of I.A.R.A. agreed on a programme allocating these ships among 14 countries whose shipping losses during the war totalled 23,600,000 gross tons.

Although under the Advance Delivery provision of the Potsdam Declaration 72 factories were put at the disposal of I.A.R.A., allocation of these plants to member nations could not begin until the receipt of detailed valuations and inventories from the Allied Control Authority in Berlin, since allocation can only be carried out on the basis of such detailed documents. In May and June of 1946 I.A.R.A. received the first group of these inventories comprising 12 plants. I.A.R.A. was able to allocate 11 of these by July 9th, 1946, and the resulting shipments from Germany began in September. Inventories of 21 additional plants were received in October, of which 20 were allocated early in December. Of the remaining 38 plants in the original group of 72, a further 19 will be allocated early in 1947; inventories of these 19 plants have been received from Berlin and are at present being reproduced for circulation to Delegates.

In May the United States representatives in Berlin informed the Press that they would agree to no further dismantling or delivery from the United States Zone of industrial capital equipment not already allocated, until the overall question of the unity of German economy envisaged in the Potsdam Declaration had been settled. The British authorities in Germany adopted a similar policy. This decision created acute problems for many Member Governments of I.A.R.A. who were hoping for industrial reparation from Germany to help reconstruct their economies.

(1) See Annex I. Extracts from the Potsdam Agreement (Section IIIB and IV).

(2) See Annex II. Plan for Reparation and the level of German post-war economy.

(3) See Annex III. Text of Paris Agreement.

While I.A.R.A. was sympathetically aware of some of the economic problems confronting the Occupying Powers in Germany, it was found necessary to urge modification of the position taken by the Allied Control Authority. To this end, on October 8th, 1946, the Assembly of I.A.R.A. addressed the Governments of the United States, United Kingdom, France and Russia, requesting that the matter be placed on the Agenda of the Council of Foreign Ministers.⁽¹⁾

The Allied Control Authority in Germany had meanwhile been giving further consideration to the problem. At the beginning of November it was announced that the general-purpose machinery from 51 war plants situated in the three Western Zones of Germany was available to I.A.R.A. as reparations. This decision involved between 25,000 and 30,000 items valued at approximately 42,000,000 Reichsmarks. At the same time the British Zone Commander had independently set in motion a plan which it is believed will soon result in the release to I.A.R.A. of general-purpose machine-tools and equipment valued at approximately 75,000,000 Reichsmarks. On December 5th the French Government also announced its intention of putting into operation a plan similar to the British plan involving items valued at 15,000,000 Reichsmarks.

Programmes for the division of industrial reparations among 18 creditor countries are necessarily highly technical and complex and involve the assistance of careful fact-finding, analysis and judgment, with free discussion among the interested parties. The experience of I.A.R.A. to date demonstrates that such programmes can be worked out, and the acceptance of the Assembly obtained, within a relatively short time after the receipt of detailed inventories from Germany. If, however, the reparation time-table as laid down in the Potsdam Declaration is not to be considerably exceeded, the rate of transfer of inventories to I.A.R.A. by the Allied Control Authority will need to be greatly increased.

Progress has been made by I.A.R.A. in preparing the ground for reparation by Germany in the form of German external assets, technical documents and schedules and captured military supplies susceptible of use in the civilian economy. The fact-finding and analytical phases of these tasks are well advanced and tangible results should be forthcoming for Member Governments of I.A.R.A. during 1947.

The details of I.A.R.A.'s development and activities are comprised in the two parts of the report which follow:

Part I. History of Reparations after Second World War.

Part II. Work of the Agency.

The Secretary General takes the occasion of this first Report to express his warm appreciation to the Delegates of the 18 member nations of I.A.R.A. and their Alternates and staffs for the constructive co-operation which they have shown and which has made possible the agreements reached on the allocation of reparations; and to all members of the international Secretariat for the loyalty and hard work they have given the Agency.

(1) See Annex V.

PART ONE

HISTORY OF REPARATION AFTER THE SECOND WORLD WAR

I. THE NATURE AND EXTENT OF REPARATION

The Crimea Conference

The principle of German reparation was first formulated by the three great Allied Powers at the Crimea Conference early in 1945. While their troops were still fighting on all fronts, the Governments of the United States, the United Kingdom and the U.S.S.R. solemnly laid down Germany's obligation to provide all possible compensation for the damage caused to the Allied nations by Nazi aggression. While confining themselves to the formulation of general principles, the three Governments defined at this early stage some of the essential principles of reparation policy following the second World War, and laid down the part which this policy was to play in post-war economy. Whereas, in 1918, the claimant Powers had endeavoured to estimate in terms of German currency the total amount of reparation to be paid by Germany in gold and in exchange, the Yalta Conference decided that German payments should be carried out by handing over reparation in kind to the greatest extent possible. At the same time, the three Great Powers undertook an equally formal obligation to disarm Germany by eliminating her war industries. They thus indicated their intentions to safeguard the security of Europe by breaking up German economic power.

These two principles, though their mutual relationship was not yet defined, foreshadowed from the time of Yalta the future organisation of Reparation.

The Potsdam Conference⁽¹⁾

The Potsdam Conference met after the capitulation of Germany, at the end of July, 1945. The principles formulated at Yalta were then carried a stage further, and the attempt was made to translate them into concrete terms. Among other matters, the Conference prepared the complicated mechanism in accordance with which nations devastated by war were to receive partial compensation for the damage suffered. In so doing, it was the aim of the Conference to combine a policy of security with a strict definition of Germany's capacity to pay. This is clearly stated in a declaration by President Truman, who said: "The first object of reparation is to remove from Germany everything which might enable her to prepare a new war. The second object of reparation is to assist the reconstruction of the devastated countries by allocating to them industrial equipment and machinery removed from Germany."

The monetary approach to reparations which was adopted after the first World War assumed an intensification of German production—and therefore of German war potential—of which the exportable surplus would ensure the annual payment of reparations. It was this consequence which the Allies sought to avoid by fixing limits to the development of German economy. They did not intend to allow German economy to adapt itself to the requirements of reparation through the mechanism of price levels and rates of

⁽¹⁾ See Annex I. Extracts from the Potsdam Agreement (Sections IIIB and IV).

exchange; they decided instead that the amount of reparation should be determined in relation to the level of German economy as they themselves would define it. Technically speaking, the problem of transfer was simplified, since it was reduced simply to the systematic removal of specific assets.

The Potsdam Declaration did not specifically exclude any form of reparation. It did, however, indicate that capital industrial equipment not needed for the peace-time economy of Germany and appropriate German external assets would be major sources of reparation. Technically the problem of transfer was thus simplified since it was reduced to the planned delivery of specific items.

The Agreement sought to establish a framework which would (a) allow substantial reparations to be obtained, (b) accomplish the disarmament of Germany, (c) assure to the German people the resources essential to maintain a reasonable minimum standard of life. To attain these objectives, it was agreed that Germany was to be permitted a standard of living equal to the average standard of Europe as a whole excluding the United Kingdom and U.S.S.R.⁽¹⁾ It was specified that payment of reparations should leave enough resources to enable the German people to subsist without external aid and, as a necessary corollary, that whatever current production was not indispensable to internal German consumption was to be used first for exports sufficient to pay for essential imports.⁽²⁾ Capital equipment in excess of that required to maintain the prescribed minimum standard of life was to be distributed as reparation.⁽³⁾ It was stipulated⁽⁴⁾ that for the duration of the occupation, Germany was to be treated as a single economic unit and that for this purpose, common policies were to be established in regard to reparation and removal of industrial war potential and the principal branches of the German economy.

Germany's Capacity to Pay

To assist in obtaining prompt reparation from Germany, difficulties of foreign exchange, which seriously compromised the success of reparation policy after World War I, have been eliminated. The establishment of the principle that equipment and goods not necessary for the maintenance of the agreed standard of living in Germany are available for reparation was a major step. But these measures have certainly not proved to be a complete solution. Other problems have arisen. A basic difficulty has been that since her surrender, Germany's economy has been operating at a level far below that required to maintain the prescribed minimum standard of life. Germany's territory has been reduced by one-fifth (corresponding roughly to one-quarter of her arable land) and within her reduced frontiers, Germany has had to find room for some 4 to 5 million people transferred from the Eastern regions. The organisation of the country has been basically dislocated, not only by air bombardment and the pursuit of military operations into the very heart of Germany, but, most importantly, by the complete destruction of the Nazi political and administrative machinery. Moreover, Allied occupation has involved considerable charges upon the German economy and the nation has

⁽¹⁾ Potsdam Agreement, Article III-15 (b).

⁽²⁾ Potsdam Agreement, Article III-19.

⁽³⁾ Potsdam Agreement, Article III-11. Potsdam Agreement, Article IV-6.

⁽⁴⁾ Potsdam Agreement, Article III-14.

been partitioned into four separate zones which, during most of the period since the surrender, have operated more or less as water-tight compartments.⁽¹⁾ This arrangement has tended, in combination with other factors, to retard progress in German production. The low level of current German production rules out any early possibility of utilizing current production for reparation purposes. This state of affairs has from the first been regarded as an unhappy one, but it has been fully recognised by the Agency from the date of the meeting of its first Assembly.

Not only has the disorganisation and state of collapse of the German economy prevented reparation from current production, but the uncertainties arising out of lack of a unified economy and the difficulties of insuring a subsistence standard of life for an increased population compressed into a smaller than pre-war area have interfered with the implementation of reparation policy in the form of deliveries of industrial capital equipment. There have been major difficulties in deciding what industrial capacity is necessary to maintain the prescribed standard of living under these new and unfamiliar conditions and a tendency to defer reparation removals in cases where any doubt might be deemed to exist. Indecision as to the future organisation of Germany has, of course, greatly aggravated the problem. The fear has also been expressed that considerations of security, which until now have been important in reparation policy, may lose some of their force as memories of the war fade and as months go by without any obvious signs of German resistance.

The Reparation Time-Table

In providing for a very brief period of execution, the Potsdam Declaration stated one of the important principles of reparation policy. The emphasis laid upon urgency was particularly justified where industrial equipment was concerned. Assets of this kind could only be of real help in solving the reconstruction problems of the creditor Powers if they were made available at once. Their value was bound to drop at a later stage, because of the fact that the recipient nations would have found themselves obliged, at whatever sacrifices, to obtain such equipment from elsewhere. Industrial equipment was also liable to deteriorate as the result of inadequate care and long exposure to wind and weather. A time limit was therefore laid down, and the transfers of industrial equipment were all to be carried out in accordance with this programme. It was specified that the total amount of available equipment was to be determined within six months, and that transfers were to be completed within the ensuing two years. It was further stipulated that, without waiting for the Powers to reach agreement concerning the total amount and nature of the equipment to be transferred, reparation was to begin in the form of advance deliveries.

The Allied Reparation Commission

The three great Powers had, as early as the Crimea Conference, made clear the importance which they attached to the punctual carrying out of the reparation programme. For this purpose they contemplated setting up a

(¹) The recent agreement for the unification of the United States and British zones has not yet had time to produce any substantial effect.

commission " charged with the examination of compensation for war damage ", and this commission was to sit in Moscow. The Potsdam Declaration reaffirmed the existence of this commission, made up of representatives of the four occupying Powers but independent of the Allied Control Authorities in Germany. This last point was important. While the Allied Control Authorities in Germany are responsible for a general problem, of which reparation represents only one aspect, the so-called Allied Commission, even if its responsibility was limited to submitting recommendations, was a body dealing exclusively with reparation policy, and was in a position to remind the responsible authorities at any time of the undertakings given in the reparation field. Its members were unable to agree upon the practical means of carrying out their task, and the Commission adjourned in September, 1945, without even issuing an official communique.

The Allied Control Authority

The Allied Control Authority in Germany was thus left with the sole responsibility of determining the nature and value of the assets available for reparation, and the time at which they were to be released to I.A.R.A. for allocation to claimant nations.

The actual structure of the Control Council, the quadripartite body which has provisionally taken over the sovereignty of Germany, now became a factor of importance in the execution of the reparation policy. The Control Council can take decisions only by unanimous vote. It has set up, under itself, a certain number of supporting bodies—the Committee of Co-ordination and a number of Directorates and subsidiary committees. These bodies, like the Council itself, to which they forward their major decisions for confirmation, are quadripartite, and are bound by the unanimity rule. Finally, all decisions on removal of capital industrial equipment remain, in the last resort, subject to approval by the Zone Commanders, who can retain for the needs of the occupation forces assets earmarked for reparation. No effective steps to distribute reparations can be taken by I.A.R.A. without the initiative and co-operation of the military governments of the Occupying Powers in Germany.

A " Plan for Reparations and the Level of German Post-War Economy " was published by the Occupying Powers at the end of March, 1946.⁽¹⁾ In the introductory outline of this plan, the Powers reaffirmed the principle of German economic unity laid down at Potsdam. The practical means of achieving this unity, however, were not clear. In May 1946, the United States Military Government announced that, pending the achievement of such unity, it would suspend any further delivery of capital equipment. The British authorities, without stating their position officially, acted in a similar fashion.

The Position of the Member Governments of I.A.R.A.

These decisions created profound problems for I.A.R.A. Lacking knowledge of the extent and variety of the capital industrial equipment available for reparation, the Member Governments found themselves unable to frame adequate reconstruction programmes.

⁽¹⁾ See Annex II. Plan for Reparation and the level of German post-war economy.

After prolonged consideration and representations to the Allied Control Authority, the I.A.R.A. Assembly considered itself obliged to apprise the Council of Foreign Ministers of its concern as to the outlook for reparations and world recovery if the decision taken by the military Governments in Germany remained in force. A Resolution (October 8th, 1946)⁽¹⁾ expressing the Assembly's views was communicated to the Governments of the United States, United Kingdom, France and Soviet Russia, with the request that the matter be placed on the Agenda of the Council of Foreign Ministers.

The ultimate total of reparations in items of capital equipment will probably remain uncertain so long as Germany lacks economic unity. But it would appear feasible for the Allied Control Authority to designate a substantial volume of reparations which would enable the I.A.R.A. nations to obtain from Germany at least some of the industrial machinery essential to their early economic recovery. Some German plants which could be incorporated into the economies of claimant countries are known to be available for early dismantling and transfer as a result of the application of disarmament measures to German industry. There seems to be no overruling reason why the practical provisions of the Potsdam Declaration relating to reparations should be discarded in their entirety pending the attainment of the objective of German economic unity.

At the beginning of November, 1946, on the initiative of the United States Representative in Berlin, the Allied Control Authority made available to I.A.R.A. for allocation a quantity of general-purpose machine-tools located in war plants in the Western Zones. This decision involves 51 plants containing between 25,000 and 30,000 items valued at 42,000,000 Reichsmarks. At the same time, the British Zone Commander developed a plan to release to I.A.R.A., in the near future, general-purpose machine-tools and equipment to the value of 75 million Reichsmarks. This plan is expected to speed up the allocation of items most urgently wanted for the industrial reconstruction of Allied nations and will permit a greater degree of choice by I.A.R.A. nations than has hitherto been possible. It is anticipated that Member Governments of I.A.R.A. will be notified early in January, 1947, as to the extent to which their "high priority" needs can be met from the British Zone at this time. In December the French Government announced a similar plan involving industrial equipment to the value of 15 million Reichsmarks.

The future of the reparation activity, as carried out by I.A.R.A., will inevitably be shaped by broad decisions taken by the Council of Foreign Ministers and the Allied Control Authority in Berlin.

2. THE ALLOCATION OF REPARATION ASSETS

Principles of Allocation

The Yalta Conference had reached no final conclusions regarding the allocation between claimants of the total assets available for reparation purposes. The Conference, however, specified the basic criterion for future negotiations; reparation was primarily to benefit the countries which had borne the principal weight of the war, undergone the heaviest losses and organised victory over the enemy. It was further agreed that the share

⁽¹⁾ See Annex V.

of the U.S.S.R. should be equivalent to half the total reparation assets. The Potsdam Conference laid down the rules for the first stage of division. It was agreed at Potsdam that the U.S.S.R. should take reparation from the Russian Zone, subject to meeting the claims of Poland. The U.S.S.R. was to have the disposal of German assets in Finland, Bulgaria, Hungary, Roumania and Eastern Austria. In addition to this, the U.S.S.R. would receive 25 per cent. of the industrial equipment situated in the Western Zones, paying for 15 per cent. in the form of reciprocal deliveries of food, coal, potash, zinc, petroleum and other products. The demands of other claimants were to be satisfied by the removal of industrial equipment from the three Western Zones and the seizure of German external assets in countries other than those where they were earmarked for the U.S.S.R.

The Paris Conference on Reparation

It now remained to settle the methods for distributing reparation assets between those claimants for whom no decision had been reached at Potsdam. This task was undertaken by the Paris Conference, which met on November 9th, 1945, the inviting Powers being France, Great Britain and the United States, as the Powers occupying the Western Zones of Germany. The representatives of 18 Powers were invited to state, in a form laid down by the inviting Powers, the damage suffered by their countries through the war and the contribution made to victory over the common enemy. The Conference sat in Paris from November 9th to December 21st, 1945. Its Final Act recommended the Governments represented to sign a draft agreement:

“In order to obtain an equitable distribution among themselves of the total assets which, in accordance with the Provisions of this Agreement and the Provisions agreed upon at Potsdam on 1st August, 1945 between the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, are or may be declared to be available as reparation from Germany (hereinafter referred to as German reparation), in order to establish an Inter Allied Reparation Agency, and to settle an equitable procedure for the restitution of monetary gold.”

The Paris Agreement⁽¹⁾ came into force on January 14th, 1946. This agreement is the basic charter defining the respective rights and duties of the eighteen Powers which took part in the Conference. The agreement does not prejudice the total amount of reparation, nor its duration, nor the obligations which may fall upon the appropriate German authorities in regard to the final settlement of reparation. The Governments subscribing to the agreement accept the proportions to which they will be entitled to participate in reparation until the problem is finally settled, and recognise that these proportions cover all the claims arising out of the war that these Governments and their nationals have against the German Government and German Governmental bodies.

The proportions were calculated, as laid down at Yalta, in accordance with the material damage suffered, the loss of human life incurred and the contribution of each Government to the war effort. They were then adjusted so as to take account of special factors. Certain countries spontaneously

⁽¹⁾ See Annex III. Text of Paris Agreement.

renounced some of their rights in regard to industrial equipment for the benefit of all the other Governments; and this led to two percentage scales: the scale laid down in Category A, and percentages of Category B, applicable to industrial equipment, merchant shipping, and inland water transport.

The Paris Agreement, moreover, laid down the fundamental rules for the allocation of the different reparation assets: industrial equipment, merchant shipping, external assets both in neutral countries and under the jurisdiction of the signatory Governments, and captured enemy supplies susceptible of civilian use.

Finally the Paris Agreement established the Inter-Allied Reparation Agency.

The Inter-Allied Reparation Agency

The Agency is a permanent inter-allied body with headquarters in Brussels, set up under the Paris Agreement to undertake the complex task of carrying into effect the principles set out in the agreement. The methods of execution were laid down in the Paris Agreement where necessary. The structure of the Agency was defined in very simple terms, and was entirely based upon co-operation between a sovereign Assembly and a Secretariat entrusted with wide responsibilities. Starting from this outline, the Assembly at its first meeting agreed upon the organisation and working⁽¹⁾ of the machinery of the Agency; and it was subsequently found that this machinery was calculated to carry out the task assigned to it.

The Assembly consists of the Delegates⁽²⁾ of the eighteen member Governments. The French Delegate is ex officio President. The decisions of the Assembly are taken by a simple majority, and there is no appeal from its decisions. Any Government which had laid a claim to a particular reparation asset is entitled to appeal to arbitration when a decision allocating the asset in question to another country is taken; but when this right is exercised, the arbitrator is selected by agreement between the contending parties from among the other members of the Assembly.

The Secretariat is international in character, and acts on behalf of the Agency and not on behalf of the individual Governments. The Secretariat deals with the different problems arising out of all the different phases of the Agency's work, and provides the administrative services of the Assembly and the technical information which its work requires. The allocation programmes, on which the Assembly bases its decisions, are prepared by the Secretariat on the basis of reports supplied by the Allied Control Authority in Germany and the bids presented by Governments through their Delegates. This entails consulting with the Delegates of all the Governments concerned, whose views the Secretariat endeavours to reconcile so as to eliminate competitive bids so far as possibilities allow. When there is an appeal to arbitration, the Secretariat may be called upon to reconsider the conflicting claims and submit fresh recommendations to the Assembly. The Secretariat is also responsible for reparation accounting, and for seeing that the allocations made to each Government remain within the limits of the percentages laid down in the Paris Agreement.

(1) See Annex IV. Rules of the Agency.

(2) See Annex VII. List of Delegates and their Alternates and Substitutes.

The expenses of the Agency are met by the Governments concerned, whose contributions are in the proportions laid down by the Paris Conference.⁽¹⁾ When the budget is voted, the usual rule of decision by simple majority is set aside, and each Delegate is entitled to a number of votes proportionate to the contribution to be paid by his Government.

Relations between the Agency and Allied Control Authority in Germany

From the outset the Agency realised that its most urgent task was to establish official contact with the Allied Control Authority in Germany, whose decisions materially affect the Agency's work.

The Paris Agreement in defining the functions of the Agency said:

"The Agency shall allocate German reparation among the Signatory Governments in accordance with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory Governments. For this purpose, the Agency shall be the medium through which the Signatory Governments receive information concerning, and express their wishes in regard to, items available as reparation."

The Agency was thus called upon to act in a number of fields in which the Control Authority carries on its work.

Furthermore, however restrictive the interpretation of the terms of the Paris Agreement, it is inevitable that the Governments should attempt to use the Agency as a channel for ventilating their views in regard to all problems bearing upon reparation. It should be noted that, at the Paris Conference, it had proved impossible to settle juridically the question of the relationship between the Agency and the Control Authority, since one of the four members constituting the quadripartite authority was not represented in Paris.

In May, 1946, as the result of negotiations undertaken by the President and the Secretary General, the Agency was given authorisation to get into direct contact with one of the quadripartite directorates under the Control Council, and for this purpose to establish a permanent Mission in Berlin. Through this Mission the Agency was to receive regular information regarding the assets declared available for reparation, and to negotiate the material arrangements necessary for carrying out its task. The contact established was too limited to meet the Agency's requirements. The consequence of this was regrettable delay in the transmission of information relating to a number of essential problems. The Agency has spared no effort in trying to reach agreement with the Allied Authorities for a more elastic and effective procedure. Late in 1946 the Agency was authorised to contact Commanders of the Military Zones of Germany directly, in order to assure rapid exchange of essential information.

⁽¹⁾ See Annex VI. List of contributions from Member Governments.

PART TWO

WORK OF THE AGENCY

I. MERCHANT SHIPPING

The Potsdam Conference had decided in principle that the tonnage of the German merchant fleet, in excess of that authorised for the needs of German coastal trade, should be divided into three equal parts, by a tripartite Merchant Marine Commission, and split up between the Governments of the U.S.S.R., the United States and the United Kingdom. The Governments of the United Kingdom and the United States recognised at the Paris Conference that the merchant shipping attributed to them should be considered as reparation assets, and allocated by the Inter-Allied Reparation Agency. In this connection, however, in view of the special usefulness of merchant shipping, the Conference laid down a special arrangement that shipping should not be treated like any other reparation assets, but should be allocated in proportion to the losses in tonnage suffered by each country through acts of war. Although the value of such shipping was to be charged against the percentages due under Category B, the Conference thus decided on a special criterion of allocation which it would be the duty of the Agency to implement.

The first task of the Agency was to determine as accurately as possible the losses of each country; and with this end in view, certain rules were laid down by the Assembly as the basis of the calculations to be made by the experts:

- (1) Any merchant ship lost or destroyed in the course of operations against Germany or Japan⁽¹⁾ was to be considered as a war loss, provided that at least 50 per cent. of the compensation in respect of it had been paid as a war risk insurance payment.
- (2) The statement of losses might also include:
 - (a) Vessels lost by a country before it went to war.
 - (b) Vessels ceded to another power under Lease-Lend or similar agreement.
 - (c) Vessels captured by an enemy power and destroyed while in enemy hands.

⁽¹⁾ N.B.—This decision was taken because of the difficulties encountered by the experts in deciding the cause of losses in certain areas of war, particularly in respect of ships sunk by submarines. Moreover, the inclusion of losses suffered in operations against Japan modified to a slight extent only the less accurate percentages obtained if such losses were not taken into account.

The Assembly, however, made it clear that the solution adopted in no way prejudiced decisions which might be taken in connection with Japanese reparation. On the proposal of the Government of the United States, the Assembly approved the following resolution :

“The inclusion of tonnage lost in the Japan war in the calculation of German reparation shares of merchant ships is accepted upon the understanding that it is without prejudice to and shall not be considered as in any way affecting the determination of shares of any Japanese reparations. No distinction between losses in the German and Japanese wars has been made because of the practical difficulties of accomplishing such a separation.”

- (d) Vessels transferred to the Government of Panama after 3rd September, 1939 (subject to recognition that such transfer was made in the interests of the Allied cause).
- (e) German vessels recognised as prize of war by a Prize Court and subsequently lost.
- (3) No account was to be taken of the loss of vessels of less than 300 tons.

Total losses amounted to 23,610,000 gross tons, spread among the fifteen countries which possessed a merchant fleet before the war; this represented approximately 54 per cent. of the total tonnage possessed by these countries on 30th June, 1939. On 11th April, the Assembly adopted the following table of losses:

<i>Nationality</i>	<i>Gross Tonnage (in thousands of tons)</i>			<i>Percentage of Total losses</i>
Australia	44	0.19
Belgium	313	1.33
Canada	336	1.42
Denmark	518	2.19
Egypt	55	0.23
U.S.A.	4,209	17.82
France	1,814	7.68
U.K. and Colonies	10,870	46.04
Greece	1,178	4.99
India	56	0.24
New Zealand	32	0.14
Norway	2,393	10.14
Holland	1,555	6.59
Yugoslavia	202	0.86
South Africa	33	0.14
<hr/>			<hr/>	<hr/>
	23,608			100.00
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As against these figures the Agency had at its disposal some 254 ships totalling 750,000 tons; and the compensation which it could offer to each of the countries which had suffered in the war at sea did not exceed three per cent. of their losses. The Assembly decided that, as far as possible, it would allocate to each Government ships of an age and type comparable to those which had been lost. With this end in view, Governments were invited to provide details of their losses, distinguishing between five categories: liners, tankers, special service ships, cargo liners and cargo ships. In addition, they were to state the age of the ships lost and the percentage lost in each category.

The objective which the Assembly had placed before itself could only be partially attained, since the tonnage available included only a very small number of vessels of certain categories. Thus the needs of Denmark, Greece, India, the Netherlands and Yugoslavia for vessels suitable for the coastal trade could not be fully satisfied. In the same way, Belgium and Canada,

who were anxious to obtain fast, modern passenger vessels comparable to those which they had lost, were able to find in the pool of ships available only a very small number of vessels of this kind, and even on the vessels available other nations had more legitimate claims. Allocation was, however, made easier by the attitude of the Government of the United States which renounced its claim to some 65 per cent. of the tonnage due to it, thus making it possible to increase considerably the shares allocated to other claimants.

Finally, on 25th May, 1946, the Assembly approved the allocation of 686,334 tons of shipping among fourteen countries⁽¹⁾. Since the Government of India was unable to declare itself satisfied with the tonnage and the ship it was offered, she did not accept the ship allocated to her which has since been included in the pool for subsequent allocation. Recipient governments were to address themselves directly to the Powers holding the vessels to obtain transfer of those which had been allocated to them.

The ships allocated included: 15 liners, 30 tankers, 200 cargo ships and 2 whaling vessels of the "floating factory" type.

In its anxiety to accomplish this task, the Assembly had worked on information transmitted by the Tripartite Merchant Marine Commission, not all of which was accurate. Later, nine of the ships allocated, totalling 16,825 gross tons, were recognised as unserviceable, while eleven others, totalling 5,999 gross tons had, for various reasons, to be considered unavailable for reparation purposes.

The Assembly recognised that the inequities thus disclosed in the allocation should be compensated as far as possible at a later stage. The Agency disposes for this purpose of a reserve of 63,000 tons, made up of 26 ships which have not been allocated; and it is not impossible that an additional tonnage will be made available to the Agency when the needs of German shipping have been finally determined.

2. INLAND WATER TRANSPORT

The Paris Agreement stipulated that any inland water transport which might be declared available as reparation should be distributed by the Agency as reparation assets falling under Category B. It laid down a special allocation procedure, to be carried out by a Committee.

It seems unlikely that any information as to the inland water transport vessels susceptible of being allocated as reparation will be given before the beginning of 1947. It is only then that publication will be made of the results of the general census covering all inland water transport vessels located in continental Europe. This census was carried out on 15th August, 1946, on the initiative of the "European Central Inland Transport Organisation" (E.C.I.T.O.)⁽²⁾.

The Control Council will then have to decide, and to inform the Agency, as to what part of the total German material of this kind disclosed by the Census will be made available to the Agency.

⁽¹⁾ c.f. Annex IX. Table of allocations of German merchant shipping.

⁽²⁾ The decision was taken at a Conference held in London by this body on 15 and 16 May, 1946, at which a representative of the Agency was present.

3. INDUSTRIAL EQUIPMENT(1)

The Paris Agreement had laid down the principles of allocation to be applied to items of industrial equipment (Article 4 of Part I). The implementation of these provisions has been seriously compromised owing to the fact that only a small number of such items has been placed at the disposal of the Agency during the first year of its existence. In these circumstances, it has been impossible for claimant Governments to submit programmes conceived as a whole embracing the various branches of their industrial activity. It has also been very difficult for the Agency to satisfy all claims while attempting to allocate whole plants. Further, in the absence of any information as to developments likely to take place in the future, it was inevitable that Governments would hesitate to have their reparation shares charged with the value of items which did not seem essential to them. This seems the explanation of the fact that no bid was submitted for one of the plants included in the first programme, the equipment of which was ancillary to another plant not yet available.

Moreover, in view of the extremely slow rate at which industrial equipment has been declared available, the application of Article 4 C (iii) of the Paris Agreement has raised a delicate problem of interpretation. This Article reads: "in making allocation a reasonable balance shall be maintained," etc. The percentages determined by the Paris Agreement were not followed in the allocation of merchant shipping, an allocation carried out according to the special criterion of tonnage losses. Governments which had not benefited from the allocation of shipping, or which had only benefited to a small extent, invoked the Paris Agreement and claimed that the disequilibrium which had appeared should be immediately adjusted. Such an attitude might have resulted in depriving certain Governments of the right to any equipment available for an indefinite period, however urgent their need. After a lengthy debate on this problem, the Assembly decided that readjustment, the necessity of which was recognised, should be made by progressive stages. On 9th July and 7th December respectively the Assembly approved the two programmes submitted by the Secretary-General, subject to certain modifications in detail which were the result of last minute negotiations among various Delegations. Thirty-three plants were distributed among fifteen countries in these programmes.(2) Details of the allocations are shown in Annexes XI and XII.

The member nations of I.A.R.A. did not at first express interest in a certain quantity of equipment belonging to some of the 33 plants and which therefore was not comprised in the above-mentioned allocation programme. Later, however, the Secretariat received requests for some of this equipment and a further distribution was made late in December.(3)

In addition to the 33 plants already allocated out of the group of 71 plants, which it was agreed would be made available to I.A.R.A. under the advance

(1) See Annex X (a) and (b). Procedure governing the availability and allocation of Capital Industrial Equipment.

(2) In the first programme the conflicting claims of India and the United Kingdom in respect of five machine-tools in the plant of Wagner & Co., at Dortmund, which had been allocated to India, could not be reconciled, and the Assembly at the request of the Government of the United Kingdom, referred the question to arbitration in regard to these tools. The arbitrator has since awarded the machine tools to the United Kingdom.

(3) See Annex XII.

delivery agreement with the Allied Control Authority, nineteen more plants⁽¹⁾ from the same group are expected to be distributed early in 1947. At the end of 1946 inventories of these nineteen plants were being reproduced for circulation to I.A.R.A. Member nations.

Inventories have also been received for fifty-one plants⁽²⁾ comprised in the Allied Control Authority plan of release announced in November. It should be possible to allocate at least some of these plants early in 1947.

At the same time a special procedure has been adopted which will make possible a rapid distribution of the equipment to be made available by the commanders of the British and French zones.⁽³⁾

4. GOODS FROM CURRENT PRODUCTION

The Potsdam Agreement (chapter III—B—19) stipulated that:

“ Payment of reparation shall leave enough resources to enable the German people to subsist without external assistance . . . and the proceeds of exports from current production and stocks shall be available in the first place for the payment of imports considered indispensable ”.

The application of this clause was to prove an obstacle, provisionally at least, to the allocation of goods from current production coming from the western zones of Germany.

5. RECIPROCAL DELIVERIES BY THE U.S.S.R.

The U.S.S.R. has undertaken to deliver foodstuffs and raw materials to an amount equivalent to three-fifths of the value of the industrial equipment which she receives from the Western zones of Germany where her share in industrial reparation is 25 per cent. of the total.⁽¹⁾ Such reciprocal deliveries were to begin as soon as possible and to end within five years. Examination of the system and character of such deliveries has only just been taken in hand by the Central Council in Germany.

6. INDUSTRIAL PROPERTY RIGHTS—TECHNICAL DOCUMENTS AND PATENTS

At the first Session of the Assembly, a majority of Delegates showed clearly the interest which their Governments attached to the technical documents and patents which were located in Germany. It was essential that countries receiving industrial equipment should obtain the documents, drawings and manufacturing processes indispensable for making full use of such equipment. In addition, member countries of I.A.R.A. were in a more general way anxious to profit by the scientific and industrial processes elaborated by German technicians.

At the time of the entry of their troops into Germany, the Governments of the United States, France, and the United Kingdom had taken measures to collect any information which might be of value to them in the pursuit of military operations against Germany and Japan. With this end in view, the

⁽¹⁾ See Annex XI.

⁽²⁾ See Part I, Section 1.

⁽³⁾ Potsdam Agreement, Article IV-4.

necessary services were organised and a considerable documentation was collected in Washington, London and Paris. After the end of hostilities, the three Governments stated their intention of pursuing this policy and of placing in the public domain any documents which might be useful for peaceful purposes and the furtherance of general economic progress.

In April, the Delegates of the United States and the United Kingdom informed the Assembly that their Governments were publishing periodically the information obtained by the competent service in their occupation zones, and that this information would be made available to all comers for a small fee. A catalogue of technical files in the French zone has also been prepared.

The Assembly as a whole supported the principle that such information should be made generally available and decided that: "The allocation of industrial plant or equipment by way of reparation from Germany to a member of the Agency shall not carry with it the exclusive right to the use of any German technological or industrial process or information."

The Control Council, for its part, had laid down that the drawings and technical documents connected with a specific piece of equipment should be transferred to the recipient country at the same time as the equipment in question; no valuation was to be made of such documents in the inventories.

The Assembly instructed the Secretary General to study a procedure by which this documentation could be conveniently placed at the disposal of any Government member of the Agency which stated a desire to consult it. It was agreed that until such a procedure could be prepared, recipient Governments would be alone responsible for implementing the principle enunciated by the Assembly.

However, the existence of German patents granted to nationals of Governments members of I.A.R.A. raised a delicate problem. The policy which had been adopted of making available on a wide scale the technical processes discovered in Germany might in this case conflict with the provisions of the Paris Agreement, by which member nations of I.A.R.A. were to hold enemy assets within their jurisdiction and to charge their value against their reparation shares. Further, non-German holders of licences would clearly be anxious to preserve their rights. The Assembly therefore invited the governments of France, the United Kingdom, and the United States to convene an international conference of interested Allied nations to consider this subject. A conference for this purpose called by these three governments met in London from July 15th to 25th, 1946. The representatives of the following countries were present: Australia, Belgium, Canada, Denmark, the United States, France, Luxemburg, Norway, the Netherlands, the United Kingdom, Czechoslovakia and the Union of South Africa.

An Agreement was drafted at the London Patent Conference which proposed that the governments parties to the Agreement would dedicate to the public or continuously offer for licensing without royalty to the nationals of all countries parties to the Agreement, the German patents issued in these countries. The countries parties to the Agreement, could take appropriate measures to protect and preserve non-German interests existing in these patents before August 1st, 1946. The Agreement is open for signature by any member of the United Nations or by any country which remained neutral during the Second World War. On 31st December sufficient signatures had been received to enable the Agreement to enter into force.

7. CAPTURED ENEMY SUPPLIES AND OTHER MATERIAL SUSCEPTIBLE OF CIVILIAN USE

During their retreat, the German armed forces abandoned a considerable amount of supplies and other material, chiefly in the countries of Western and North Western Europe. Some of this material was delivered on the spot by the British and American military Authorities, to the liberated populations, in order to meet the urgent needs of the latter. When the Paris Conference examined the problems raised by such deliveries, certain Delegations tried to win acceptance for the theory of collective war booty. This theory, however, did not prevail, and the Paris Agreement finally stipulated that supplies and other material susceptible of civilian use captured from the German armed forces in areas outside Germany and delivered to Signatory Governments should be charged against their reparation shares in so far as such supplies and material had not been either paid for or delivered under arrangements precluding any charge. The competent service in the Agency is attempting to obtain the information necessary for accounting for this form of reparation, both from Governments which have received such deliveries and from the Anglo-American liquidating body. The Assembly will shortly have to take a position on the conclusions reached by the Secretariat.

8. GERMAN EXTERNAL ASSETS

The Potsdam Conference had decided to deprive the Germans of the control and power of disposal of their external assets considered as reparation assets, earmarked for partial compensation of the damage suffered by the Allied Nations. They were accordingly divided between the U.S.S.R. and Poland on the one hand, and the other claimants on the other.

In order to make specific the arrangements contemplated in the Potsdam Declaration, the Paris Conference made a distinction between assets situated in neutral countries and assets under the jurisdiction of Governments, members of the Inter-Allied Reparation Agency.

The Paris Agreement provides that German assets in the neutral countries shall be removed from German ownership and control and liquidated or disposed of in accordance with the authority of France, the United Kingdom and the United States pursuant to arrangements to be negotiated with the neutrals by these countries. The net proceeds resulting from these arrangements are to be made available to the Inter-Allied Reparation Agency for distribution.

In accordance with the above provision of the Paris Agreement, an arrangement has been negotiated with Switzerland whereby all assets situated in Switzerland, which are possessed or controlled by Germans resident in Germany, have to be liquidated by the Swiss Office of Compensation, after consultation with a Commission comprising a representative of the Swiss Government and representatives of each of the three Allied Governments. Half of the product of this liquidation is to be placed at the disposal of the Allies, for the purpose of helping in the reconstruction of the countries devastated or impoverished by the war; the German owners of these assets will be compensated in German currency, Switzerland undertaking to furnish half the necessary funds.

An agreement with the Swedish Government is now waiting for ratification and negotiations are proceeding with other neutral countries.

As regards German assets subject to the jurisdiction of the Signatory Governments, the Paris Agreement contemplates that these governments shall either retain them or dispose of them in such a way as to avoid their again becoming German-owned or German-controlled. Subject to certain deductions, the value of such assets is to be charged against the reparation quota of the country concerned in each case. As far as these assets are concerned, the Inter-Allied Reparation Agency finds itself confronted with a threefold task. The assets had to be located despite German efforts to hide them and had to be valued for Reparations purposes in a uniform manner; and conflicts of jurisdiction between member Governments of the Agency had to be resolved.

The Committee of Experts set up by the Assembly, in conformity with the terms of the Paris Agreement, made a study of the more immediate difficulties at its first session, and prepared a detailed report. In particular, the Committee drew the Assembly's attention to the importance of conflicts of jurisdiction between sequestration authorities. It was pointed out that the existence of such conflict was in danger of compromising the fulfilment of the tasks assigned to the Inter-Allied Reparation Agency. In order to avoid the delays which, after the first world war, had been entailed by difficulties of this kind, the Assembly decided to call in November a meeting of Representatives from all the countries belonging to the Agency, and to ask these experts to formulate recommendations for resolution of this problem. In the meantime the Assembly asked the governments concerned to refrain so far as practicable for a reasonable period of time from liquidating assets as to which conflicts of custodial jurisdiction may arise.

Two questionnaires were circulated to member Governments in an effort to obtain full information on the value of German external assets within their jurisdiction and the methods used to obtain these valuations. Also, a questionnaire of the legislation and administrative practice of each member Government with regard to German external assets was circulated by the Agency. The answers to these questionnaires have provided information indicating the need for closer consultation between the member Governments.

Arrangements were undertaken to secure information from the four Allied Control Authorities in Germany concerning German external assets in the countries members of the Inter-Allied Reparation Agency.

9. AUTHORS' RIGHTS

Questions relating to German Authors' Rights were originally assigned to the Industrial Rights Committee of I.A.R.A. This field of reparation at first appeared to be of slight importance. Later, as the amount and complexity of reparation in this form were recognised, it was found advisable to set up a separate Committee on Authors' Rights. This Committee works in close co-operation with the External Assets Committee.

The first task of the Authors' Rights Committee was to circulate to each member Government a questionnaire, the purpose of which is to collect all information available in connection with the control and disposition of German-owned copyrights and royalties from such copyrights.

10. RESTITUTION OF MONETARY GOLD

In order to implement the provisions of Part III of the Paris Agreement concerning monetary gold looted by Germany, the Governments of the United

States, France, and the United Kingdom on 27th September, 1946, set up a Commission entitled "Tripartite Commission for the Restitution of Monetary Gold."

The Commission is independent of I.A.R.A. although it also has its seat in Brussels. The Restitution of monetary gold is therefore not dealt with here.

II. POWERS OF THE AGENCY IN MATTERS OF RESTITUTION

The Paris Agreement authorised the Agency to intervene, in certain circumstances, in matters of Restitution.

By the terms of Article 2B (Part II):

"The Agency shall deal with all questions relating to the restitution to a Signatory Government of property situated in one of the Western Zones of Germany, which may be referred to it by the Commander of that Zone (acting on behalf of his Government), in agreement with the claimant Signatory Government or Governments, without prejudice, however, to the settlement of such questions by the Signatory Governments concerned either by agreement or arbitration."

No question of this kind has so far been submitted to the Agency.

ANNEX I

Extracts from the Communiqué published at the end of the Potsdam Conference (2nd August, 1945).

III.—B. ECONOMIC PRINCIPLES

11. In order to eliminate Germany's war potential, the production of arms, ammunition and implements of war as well as all types of aircraft and sea-going ships shall be prohibited and prevented. Production of metals, chemicals, machinery and other items that are directly necessary to a war economy shall be rigidly controlled and restricted to Germany's approved post-war peace-time needs to meet the objectives stated in Paragraph 15. Productive capacity not needed for permitted production shall be removed in accordance with the reparations plan recommended by the *Allied Commission on Reparations* and approved by the Governments *concerned* or if not removed shall be destroyed.

12. At the earliest practicable date, the German economy shall be decentralized for the purpose of eliminating the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts and other monopolistic arrangements.

13. In organizing the German economy, primary emphasis shall be given to the development of agriculture and peaceful domestic industries.

14. During the period of occupation Germany shall be treated as a single economic unit. To this end common policies shall be established in regard to:

- (a) mining and industrial production and allocation;
- (b) agriculture, forestry and fishing;
- (c) wages, prices and rationing;
- (d) import and export programmes for Germany as a whole;
- (e) currency and banking, central taxation and customs;
- (f) reparation and removal of industrial war potential;
- (g) transportation and communications.

In applying these policies account shall be taken, where appropriate, of varying local conditions.

15. Allied controls shall be imposed upon the German economy but only to the extent necessary:

- (a) to carry out programmes of industrial disarmament and demilitarization, of reparations, and of approved exports and imports;
- (b) to assure the production and maintenance of goods and services required to meet the needs of the occupying forces and displaced persons in Germany and essential to maintain in Germany average living standards not exceeding the average of standards of living of European countries. (European countries means all European countries excluding the United Kingdom and the Union of Soviet Socialist Republics);
- (c) to ensure in the manner determined by the Control Council the equitable distribution of essential commodities between the several zones so as to produce a balanced economy throughout Germany and reduce the need for imports;
- (d) to control German industry and all economic and financial international transactions, including exports and imports, with the aims of preventing Germany from developing a war potential and of achieving the other objectives named herein;
- (e) to control all German public or private scientific bodies, research and experimental institutions, laboratories, etc., connected with economic activities.

16. In the imposition and maintenance of economic controls established by the Control Council, German administrative machinery shall be created and the German authorities shall be required to the fullest extent practicable to proclaim and assume administration of such controls. Thus it should be brought home to the German people that the responsibility for the administration of such controls and any breakdown in these controls will rest with themselves. Any German controls which may run counter to the objectives of occupation will be prohibited.

17. Measures shall be promptly taken:

- (a) to effect essential repair of transport;
- (b) to enlarge coal production;
- (c) to maximize agricultural output; and
- (d) to effect emergency repair of housing and essential utilities.

18. Appropriate steps shall be taken by the Control Council to exercise control and the power of disposition over German-owned external assets not already under the control of United Nations which have taken part in the war against Germany.

19. Payment of Reparations should leave enough resources to enable the German people to subsist without external assistance. In working out the economic balance of Germany the necessary means must be provided to pay for imports approved by the Control Council in Germany. The proceeds of exports from current production and stock shall be available in the first place for payment for such imports.

The above clause will not apply to the equipment and products referred to in paragraphs 4 (a) and 4 (b) of the Reparations Agreement.

IV. REPARATIONS FROM GERMANY

In accordance with the Crimea decision that Germany be compelled to compensate to the greatest possible extent for the loss and suffering that she has caused to the United Nations and for which the German people cannot escape responsibility, the following agreement on reparations was reached:

1. Reparation claims of the U.S.S.R. shall be met by removals from the zone of Germany occupied by the U.S.S.R. and from appropriate German external assets.

2. The U.S.S.R. undertakes to settle the reparation claims of Poland from its own share of reparations.

3. The reparation claims of the United States, the United Kingdom and other countries entitled to reparations shall be met from the Western Zones and from appropriate German external assets.

4. In addition to the reparations to be taken by the U.S.S.R. from its own zone of occupation, the U.S.S.R. shall receive additionally from the Western Zones:

(a) 15 per cent. of such usable and complete industrial capital equipment, in the first place from the metallurgical, chemical and machine manufacturing industries, as is unnecessary for the German peace economy and should be removed from the Western Zones of Germany in exchange for an equivalent value of food, coal, potash, zinc, timber, clay products, petroleum products, and such other commodities as may be agreed upon.

(b) 10 per cent. of such industrial equipment as is unnecessary for the German peace economy and should be removed from the Western Zones, to be transferred to the Soviet Government on reparation account without payment or exchange of any kind in return.

Removals of equipment as provided in (a) and (b) above shall be made simultaneously.

5. The amount of equipment to be removed from the Western Zones on account of reparations must be determined within six months from now at the latest.

6. Removals of industrial capital equipment shall begin as soon as possible and shall be completed within two years from the determination specified in paragraph 5. The delivery of products covered by 4 (a) above shall begin as soon as possible and shall be made by the U.S.S.R. in agreed instalments within 5 years of the date thereof. The determination of the amount and character of the industrial capital unnecessary for the German peace economy and therefore available for reparations shall be made by the Control Council under policies fixed by the Allied Commission on Reparations with the participation of FRANCE, subject to the final acceptance of the Zone Commander in the Zone from which the equipment is to be removed.

7. Prior to the fixing of the total amount of equipment subject to removal, advance deliveries shall be made in respect of such equipment as will be determined to be eligible for delivery in accordance with the procedure set forth in the last sentence of paragraph 6.

8. The Soviet Government renounces all claims in respect of reparations to shares of German enterprises which are located in the Western Zones of occupation in Germany as well as to German foreign assets in all countries except those specified in paragraph 9 below.

9. The Governments of the United Kingdom and United States renounce their claims in respect of reparations to shares of German enterprises which are located in the Eastern Zone of occupation in Germany, as well as to German foreign assets in Bulgaria, Finland, Hungary, Rumania and Eastern Austria.

10. The Soviet Government makes no claim to gold captured by the Allied troops in Germany.

ANNEX II

THE PLAN FOR REPARATIONS AND THE LEVEL OF POST-WAR GERMAN ECONOMY IN ACCORDANCE WITH THE POTSDAM AGREEMENT

1. In accordance with the Potsdam Agreement the Allied Control Council is directed to determine the amount and character of the industrial capital equipment unnecessary for the German peace economy and therefore available for reparations.

The guiding principles regarding the plan for reparations and the level of Germany's post-war economy in accordance with the Potsdam Agreement are:—

- (a) Elimination of the German war potential and the industrial disarmament of Germany.
- (b) Payment of reparations to the countries which had suffered from German aggression.
- (c) Development of agricultural and peaceful industries.
- (d) Maintenance in Germany of average living standards not exceeding the average standard of living of European countries (excluding the United Kingdom and the Union of Soviet Socialist Republics).
- (e) Retention in Germany, after payment of reparations, of sufficient resources to enable her to maintain herself without external assistance.

2. In accordance with these principles, the basic elements of the plan have been agreed. The assumptions of the plan are:—

- (a) That the population of post-war Germany will be 66.5 million.
- (b) That Germany will be treated as a single economic unit.
- (c) That exports from Germany will be acceptable in the international markets.

PROHIBITED INDUSTRIES

3. In order to eliminate Germany's war potential, the production of arms, ammunition and implements of war, as well as all types of aircraft and seagoing ships, is prohibited and will be prevented.

4. All industrial capital equipment for the production of the following items is to be eliminated:—

- (a) Synthetic gasoline and oil
- (b) Synthetic rubber
- (c) Synthetic ammonia
- (d) Ball and taper roller bearings
- (e) Heavy machine-tools of certain types
- (f) Heavy tractors
- (g) Primary aluminium
- (h) Magnesium
- (i) Beryllium
- (j) Vanadium produced from Thomas slags
- (k) Radio-active materials
- (l) Hydrogen peroxide above 50 per cent. strength
- (m) Specific war chemicals and gases
- (n) Radio transmitting equipment

Facilities for the production of synthetic gasoline and oil, synthetic ammonia, and synthetic rubber, and of ball and taper roller bearings, will be temporarily retained to meet domestic requirements until the necessary imports are available and can be paid for.

RESTRICTED INDUSTRIES

Metallurgical Industries

5. Steel

- (a) The production capacity of the steel industry to be left in Germany should be 7.5 million ingot tons. This figure should be subject to review for further reduction should this appear necessary.
- (b) The allowable production of steel in Germany should not exceed 5.8 million ingot tons in any future year without the specific approval of the Allied Control Council, but this figure will be subject to annual review by the Control Council.
- (c) The steel plants to be left in Germany under the above programme should, so far as practicable, be the older ones.

6. *Non-Ferrous Metals.* The annual consumption of non-ferrous metals, including exports of products containing these metals, is fixed at the following quantities:—

Copper	...	...	...	...	...	...	...	140,000 tons
Zinc	.	...	...	...	...	...	...	135,000 ,,
Lead	...	...	...	...	...	...	...	120,000 ,,
Tin	...	...	...	...	...	...	...	8,000 ,,
Nickel	...	...	...	...	...	...	...	1,750 ,,

Chemical Industries

7. (a) *Basic Chemicals.* In the basic chemical industries there will be retained 40 per cent. of the 1936 production capacity (measured by sales in 1936 values). This group includes the following basic chemicals: nitrogen, phosphate, calcium carbide, alkalis, sulphuric acid and chlorine. In addition, to obtain required quantities of fertiliser for agriculture, existing capacity for the production of nitrogen through the synthetic ammonia process will be retained until the necessary imports of nitrogen are available and can be paid for.

(b) *Other Chemicals.* Production capacity will be retained for the group of other chemical production in the amount of 70 per cent. of the 1936 production capacity (measured by sales in 1936 values). This group includes chemicals for building supplies, consumer goods items, plastics, industrial supplies and other miscellaneous chemical products.

(c) *Dyestuffs, Pharmaceuticals and Synthetic fibres.* In the pharmaceutical industry there will be retained capacity for the annual production of 80 per cent. of 1936 production (measured by sales in 1936 values). Capacity will be retained to produce annually 36,000 tons of dyestuffs and 185,000 tons of synthetic fibres.

Machine Manufacturing and Engineering

8. (a) *Machine-Tools.* For the machine-tool industry there will be retained 11.4 per cent. of 1938 capacity, with additional restrictions on the type and size of machine-tools which may be produced.

(b) *Heavy Engineering.* In the heavy engineering industries there will be retained 31 per cent. of 1938 capacity. These industries produce metallurgical equipment; heavy mining machinery; material handling plant; heavy power equipment (boilers and turbines; prime movers; heavy compressors; turbo-blowers and pumps).

(c) *Other Mechanical Engineering.* In other mechanical engineering industries there will be retained 50 per cent. of 1938 capacity.

This group produces constructional equipment; textile machinery; consumer goods equipment; engineering small tools; food processing equipment; wood-working machines; other machines and apparatus.

(d) *Electro-engineering.* In the electro-engineering industries there will be retained 50 per cent. of 1938 production capacity (based on sales in 1936 values). Capacity to produce heavy electrical equipment is to be reduced to 30 per cent. of 1938 production or RM 40,000,000 (1936 value). Heavy electrical equipment includes generators and converters, 6,000 KW and over; high tension switch gear; and large transformers, 1,500 KVA and over.

Electro-engineering other than heavy electrical equipment includes electric lamps and light fittings, installation materials, electric heating and domestic appliances, cables and wires, telephone and telegraph apparatus, domestic radios, and other electrical equipment.

Export of specified types of radio receiving sets is forbidden.

(e) Transport Engineering

(i) In the automotive industry capacity will be retained to produce annually 80,000 autos, including 40,000 passenger cars and 40,000 trucks, and for 4,000 light road tractors.

(ii) Capacity will be retained to produce annually 10,000 motor-cycles with cylinder sizes between 60 and 250 cubic centimetres. Production of motor-cycles with cylinder sizes of more than 250 cubic centimetres is prohibited.

(iii) In the locomotive industry available capacity will be used exclusively for the repair of the existing stock of locomotives in order to build up a pool of 15,000 locomotives in 1949. A decision will be made later as to the production of new locomotives after 1949.

(iv) Sufficient capacity will be retained to produce annually 30,000 freight cars, 1,350 passenger coaches, and 400 luggage vans.

(f) *Agricultural Machinery.* To permit maximisation of agriculture, capacity will be retained for an annual production of 10,000 light agricultural tractors. Existing capacity for the production of other agricultural equipment, estimated at 80 per cent. of 1938 levels, is to be retained, subject to restrictions on the type and power of the equipment which may be produced.

(g) In estimating capacities there will be taken into account the production of normal quantities of spare parts for transport and agricultural machinery.

(b) *Optics and Precision Instruments.* Capacity will be retained to produce precision instruments in the value of RM 340,000,000 (1936 value), of which RM 220,000,000 is estimated as required for domestic use and RM 120,000,000 for exports. A further limitation for this industry is possible subject to the recommendations of the Committee for Liquidation of War Potential.

MINING INDUSTRIES

9. (a) *Coal.* Until the Control Council otherwise decides, coal production will be maximised as far as mining supplies and transport will allow. The minimum production is estimated at 155 million tons (hard coal equivalent), including at least 45 million tons for export. The necessary supplies and services to this end will be arranged to give the maximum production of coal.

(b) *Potash.* The production of potash is estimated at over 100 per cent. of the 1938 level.

ELECTRIC POWER

10. There will be retained an installed capacity of 9.0 million KW.

CEMENT

11. A capacity for the production of 8 million tons of cement annually will be retained.

OTHER INDUSTRIES

12. The estimated levels of the following industries have been calculated as shown below as necessary for the German economy in 1949:—

- (a) *Rubber*—50,000 tons, including 20,000 tons from reclaimed rubber and 30,000 tons imports.
- (b) *Pulp, Paper and Printing*—2,120,000 tons based on 26 kg per head per annum in 1949, plus 400,000 tons for export.
- (c) *Textiles and Apparel*—665,000 tons of fibres based on 10 kg per head in 1949, including 2 kg for export.
- (d) *Boots and Shoes*—113 million pairs based on 1.7 pairs per head in 1949 (figure excludes needs of occupying forces).

Production may exceed the above estimates in this paragraph (Other Industries) unless otherwise determined by the Control Council.

13. *Building.* No level will be determined for 1949. The industry will be free to develop within the limits of available resources and the licensing system.

14. *Building Materials Industries (excluding cement).* Existing capacity for building materials will be retained. Production will be in accordance with building licensing and export requirements.

15. *Other Unrestricted Industries.* For the following industries no levels have been determined for 1949. They are free to develop within the limitations of available resources. These industries are as follows:—

- (a) Furniture and woodwork
- (b) Flat glass, bottle and domestic glass
- (c) Ceramics
- (d) Bicycles
- (e) Motor-bicycles under 60 cc
- (f) Potash

GENERAL LEVEL OF INDUSTRY

16. It is estimated that the general effect of the plan is a reduction in the level of industry as a whole to a figure about 50 or 55 per cent. of the pre-war level in 1938 (excluding building and building materials industries).

EXPORTS AND IMPORTS

17. The following agreement has been reached with respect to exports and imports:—

- (a) That the value of exports from Germany shall be planned as RM 3 billion (1936 value) for 1949, and that sufficient industrial capacity shall be retained to produce goods to this value and cover the internal requirements in Germany in accordance with the Potsdam Declaration.
- (b) That approved imports will not exceed RM 3 billion (1936 value) as compared with RM 4.2 billion in 1936.
- (c) That of the total proceeds from exports, it is estimated that not more than RM 1.5 billion can be utilised to pay for imports of food and fodder if this will be required with the understanding that, after all imports approved by the Control Council are paid for, any portion of that sum not needed for food and fodder will be used to pay for costs of occupation and services such as transport, insurances, etc.

DETERMINATION OF CAPACITIES AVAILABLE FOR REPARATIONS

18. After approval of this plan the existing capacities of the separate branches of production shall be determined, and a list of enterprises available for reparations shall be compiled.

19. After decisions have been given on the matter now referred to the Co-ordinating Committee, the Economic Directorate would propose to prepare the final plan embodying those decisions and including a description of the various features of the plan such as disarmament, reparations, post-war German economy and the German balance of trade.

Berlin, March, 1946.

TABLE I
LEVEL OF INDUSTRY

I. PROHIBITED INDUSTRIES

A. Production of the following will be entirely prohibited:—

- 1. War materials as specifically defined by the Allied Control Authority, including but not limited to arms, ammunition and implements of war, as well as all types of aircraft, specific war chemicals and gases.
- 2. Sea-going ships (not interpreted to include small fishing vessels).
- 3. Magnesium.
- 4. Primary aluminium and alumina for the purpose of producing aluminium.
- 5. Beryllium.
- 6. Vanadium produced from Thomas slags.
- 7. Radio-active materials.
- 8. Hydrogen peroxide above 50 per cent. strength.
- 9. Radio transmitting equipment.
- 10. Heavy tractors above the limits of capacity determined by the Allied Control Authority.
- 11. Heavy machine tools of the sizes and types prohibited by the Allied Control Authority.

B. Production of the following items will be permitted only until sufficient imports will be possible and can be paid for:—

- 1. Synthetic gasoline and oil.
- 2. Synthetic rubber.
- 3. Ball and taper roller bearings.

C. Production of Synthetic Ammonia will be permitted until exports can be found to pay for required imports of nitrogen as well as for all other necessary imports. To the extent to which synthetic ammonia production is not eliminated, it will be limited to not more than that amount necessary to meet Germany's peacetime requirements.

TABLE 2
LEVEL OF INDUSTRY

2. INDUSTRIES FOR WHICH NO LEVEL WILL BE DETERMINED FOR 1949
and which are free to develop within the limits of available
materials and financial resources.

Serial	Industry
1	Building and Building Materials (excluding cement).
2	Furniture and Wood-working.
3	Flat Glass, Bottle and Domestic Glass.
4	Ceramics.
5	Bicycles.
6	Motor-bicycles under 60 cc.
7	Potash.

TABLE 3

LEVEL OF INDUSTRY

3. INDUSTRIES, THE LEVELS OF WHICH ARE DETERMINED OR ESTIMATED FOR 1949

PART A

Industries from which production capacity will be taken for reparations :—

Serial (1)	Item (2)	Production or supply in pre-war years (3)	Estimated level in 1949 (4)	Percentage of pre-war year considered in col. (3) (5)	Remarks (6)
1	Steel ...	19·2 m. tons (1936)	7·5 m. tons (capacity) 140,000 tons	39	Permitted level of industry subject to annual review*
2	Copper ...	292,000 tons (1936)	140,000 tons	48	(a) Figures for non-ferrous metals are for <i>consumption</i> , including consumption in exports containing these metals;
3	Zinc ...	225,000 tons (1936)	135,000 tons	60	(b) It is estimated that in 1949, 40,000 tons of copper, 20,000 tons of lead and 45,000 tons of zinc will be used in the manufacture of exports containing these metals;
4	Lead ...	223,000 tons (1936)	120,000 tons	54	(c) Figures for non-ferrous metals include secondary metal and scrap;
5	Tin ...	16,000 tons (1936)	8,000 tons	50	(d) Estimated that to meet the requirements of 8,000 tons of tin it will be necessary to import 6,000 tons of tin.
6	Nickel ...	9,500 tons (1936)	1,750 tons	18	
7	Aluminium (consumption). Magnesium (consumption).	—	30,000 tons	—	
8		—	1,000 tons	—	* For permitted production see para. 5 (b) of the plan.

Serial (1)	Item (2)	Production or supply in pre-war year (3)	Estimated level in 1949 (4)	Percentage of pre-war year considered in col. (3) (5)	Remarks (6)
9	<i>Mechanical Engineering</i> (excluding Agricultural Engineering and Ball and Taper Roller Bearings)	... (a) <i>Heavy Engineering</i> ... comprising :— Metallurgical Equipment Heavy Mining Machinery Material Handling Plant Heavy Power Equipment Boilers and Turbines Prime Movers, Heavy Compressors, Turbo-blowers and Pumps	RM 1,394 mill. (1938)	RM 432 mill.	31
	(b) <i>Light Engineering and Constructional Equipment</i> comprising :— Constructional Equipment Textile Machinery Other Consumer Goods Equipment Food Processing Equipment Chemical and Refining Equipment General Engineering Materials Processing Equipment Small Tools Wood-working Machinery		RM 2,291 mill. (1938)	RM 1,145 mill.	50

9 (contd.)	Gas Welding and Cutting Machinery Miscellaneous Machines	... RM 645 mill. (1938)	RM 74 mill.	11.4	Machine tools to be limited as regards type and size by the Allied Control Authority.
10	TOTAL, Mechanical Engineering <i>Precision Instruments and Optics</i>	RM 4,330 mill. (1938) RM 491 mill. (1936)	RM 1,651 mill. RM 340 mill.	38.1 70	Including an estimate of RM 120 mill. for export. A further limitation is possible for this industry depending on the recommendation of the Committee for Liquidation of War Potential. Limited as regards capacity and type.
11	<i>Agricultural Tractors</i>	... 13,900 (1936)	10,000	72	
12	<i>Private Cars</i>	... 245,000 (1936)	40,000	16	
13	<i>Commercial Vehicles</i>	... 59,000 (1936)	40,000	67	
14	<i>Light Road Tractors</i>	... —	4,000	—	
15	<i>Motor-bicycles</i>	... —	10,000	—	Cylinder capacity 60 cc to 250 cc. Motor-bicycles with cylinder capacity over 250 cc to be prohibited.
16	<i>Electrical Engineering</i>	... RM 3,000 mill. (1938)	RM 1,500 mill.	50	
	of which Heavy Electrical Engineering	... RM 130 mill. (1938)	RM 40 mill.	30	Heavy Electrical Engineering companies : (i) Generators and Convertors 6,000 Kw and over ; (ii) High Tension Switchgear ; (iii) Large Transformers 1,500 KVA and over.

Serial (1)	Item (2)	Production or supply in pre-war year (3)	Estimated level in 1949 (4)	Percentage of pre-war year considered in col. (3) (5)	Remarks (6)
17	<i>Basic Chemicals</i> ...	RM 920 mill. (1936)	RM 368 mill.	40	Nitrogen, phosphates, calcium carbide, sulphuric acid, chlorine, alkali. Production of synthetic ammonia to continue for the time being [see Table I (C)]. Building supplies, consumer goods, plastics, industrial supplies, other chemicals.
18	<i>Miscellaneous Chemical Products...</i>	RM 2,112 mill. (1936)	RM 1,478 mill.	70	
19	<i>Pharmaceuticals</i>				
	(a) Domestic ...	RM 288 mill. (1936)	RM 212 mill.		
19	(b) Export ...	RM 125 mill. (1936)	RM 120 mill.		
	Total ...	RM 413 mill. (1936)	RM 332 mill.	80	
20	<i>Dyestuffs</i>				
	(a) Domestic				
	RM mills. ...	...	—	73	
	ooo tons ...	...	—	20	
	(b) Export				
	RM mills. ...	...	—	58	
	ooo tons ...	...	—	16	
	Total ...		—		
	RM mills. ...	...	—	131	
	ooo tons ...	...	—	36	
	<i>Cement</i> ...	...	11.7 mill. tons (1936)	8.0 mill. tons	
21	<i>Electric Power</i>				
	Installed capacity in mill. Kw	...	15.2 (1936)	9.0	
22				60	

TABLE 3 (*Contd.*)

LEVEL OF INDUSTRY

3. INDUSTRIES, LEVELS OF WHICH HAVE BEEN FIXED OR ESTIMATED FOR 1949

PART B

Industries from which Reparations are not anticipated ; but this possibility is not excluded if the Control Council decides that surpluses of industrial capital equipment are not required in Germany or for export and are suitable for Reparations.

Serial (1)	Item (2)	Production or supply in pre-war year (3)	Estimated level in 1949 (4)	Percentage of pre-war year considered in col. (3) (5)	Remarks (6)
1	Coal...	208 mill. tons (1936)	155 mill. tons	75	Figures in hard coal equivalents. Until the Control Council otherwise decides, coal production will be maximised as far as mining supplies and transport will allow. The minimum production is estimated at 155 mill. tons (hard coal equivalent), including at least 45 mill. tons for export. The necessary supplies and services to this end will be arranged to give the maximum production of coal.
2	Main Line Locomotives		²⁸⁵ (1936)		Post-war level not fixed ; all capacity to be engaged exclusively on repairs until 1949.
3	Railway Wagons		30,000		

Serial (1)	Item (2)	Production or supply in pre-war year (3)	Estimated level in 1949 (4)	Percentage of pre-war year considered in col. (3) (5)	Remarks (6)
4	Passenger Coaches...	...	1,350		
5	Luggage Vans	...	400		
6	Agricultural Machinery other than Tractors.	RM 323 mill. (1938)	RM 258 mill.	80	Based on 10 kg per head in 1949, including 2 kg for export.
7	Textiles	856,000 tons (1936) (weight of fibre)	665,000 tons A. Synthetic 185,000 tons B. Natural 480,000 tons 50,000 tons	77	Minor adjustments are possible.
8	Rubber	80,000 tons (1936)	80,000 tons	62.5	Based on 26 kg per head in 1949, plus 400,000 tons for export.
9	Paper	3,149,000 tons (1936)	2,129,000 tons	65	Based on 1.7 pairs per head in 1949 (figure excludes needs of occupying forces).
10	Boots and Shoes	160 mill. pairs (1936)	113 mill. pairs	70	Production can exceed the estimates in Table 3, Part B (with the exception of locomotives and wagons—serials 2, 3, 4 and 5) unless otherwise determined by the Control Council.

ANNEX III

AGREEMENT ON REPARATION FROM GERMANY, ON THE ESTABLISHMENT OF AN INTER-ALLIED REPARATION AGENCY AND ON THE RESTITUTION OF MONETARY GOLD

The Governments of Albania, The United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, The United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxembourg, Norway, New Zealand, The Netherlands, Czechoslovakia, The Union of South Africa and Yugoslavia, in order to obtain an equitable distribution among themselves of the total assets which, in accordance with the Provisions of this Agreement and the Provisions agreed upon at Potsdam on 1st August, 1945, between the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, are or may be declared to be available as reparation from Germany (hereinafter referred to as German reparation), in order to establish an Inter-Allied Reparation Agency, and to settle an equitable procedure for the restitution of monetary gold.

Have agreed as follows:

PART I German Reparation

ARTICLE I

Shares in Reparation

A. German reparation (exclusive of the funds to be allocated under Article 8 of Part I of this Agreement), shall be divided into the following categories:

Category A, which shall include all forms of German reparation except those included in Category B,

Category B, which shall include industrial and other capital equipment removed from Germany, and merchant ships and inland water transport.

B. Each Signatory Government shall be entitled to the percentage share of the total value of Category A and the percentage share of the total value of Category B set out for that Government in the Table of Shares set forth below:

TABLE OF SHARES

Country	Category A	Category B
Albania...	.05	.35
United States of America	28.00	11.80
Australia	.70	.95
Belgium	2.70	4.50
Canada...	3.50	1.50
Denmark	.25	.35
Egypt	.05	.20
France	16.00	22.80
United Kingdom	28.00	27.80
Greece	2.70	4.35
India	2.00	2.90
Luxembourg	.15	.40
Norway	1.30	1.90
New Zealand	.40	.60
Netherlands	3.90	5.60
Czechoslovakia	3.00	4.30
Union of South Africa ⁽¹⁾	.70	.10
Yugoslavia	6.60	9.60
Total	<hr/> 100.00	<hr/> 100.00

⁽¹⁾ The Government of the Union of South Africa has undertaken to waive its claims to the extent necessary to reduce its percentage share of Category B to the figure of 0.1 per cent. but is entitled, in disposing of German enemy assets within its jurisdiction, to charge the net value of such assets against its percentage share of Category A and a percentage share under Category B of 1.0 per cent.

C. Subject to the provisions of paragraph D below, each Signatory Government shall be entitled to receive its share of merchant ships determined in accordance with Article 5 of Part I of this Agreement, provided that its receipts of merchant ships do not exceed in value its share in Category B as a whole.

Subject to the provisions of paragraph D below, each Signatory Government shall also be entitled to its Category A percentage share in German assets in countries which remained neutral in the war against Germany.

The distribution among the Signatory Governments of forms of German reparation other than merchant ships, inland water transport and German assets in countries which remained neutral in the war against Germany shall be guided by the principles set forth in Article 4 of Part I of this Agreement.

D. If a Signatory Government receives more than its percentage share of certain types of assets in either Category A or Category B, its receipts of other types of assets in that Category shall be reduced so as to ensure that it shall not receive more than its share in that Category as a whole.

E. No Signatory Government shall receive more than its percentage share of either Category A or Category B as a whole by surrendering any part of its percentage share of the other Category, except that with respect to German enemy assets within its own jurisdiction, any Signatory Government shall be permitted to charge any excess of such assets over its Category A percentage share of total German enemy assets within the jurisdiction of the Signatory Governments either to its receipts in Category A or to its receipts in Category B or in part to each Category.

F. The Inter-Allied Reparation Agency, to be established in accordance with Part II of this Agreement, shall charge the reparation account of each Signatory Government for the German assets within that Government's jurisdiction over a period of five years. The charges at the date of the entry into force of this Agreement shall be not less than 20 per cent. of the net value of such assets (as defined in Article 6 of Part I of this Agreement) as then estimated, at the beginning of the second year thereafter not less than 25 per cent. of the balance as then estimated, at the beginning of the third year not less than 33½ per cent. of the balance as then estimated, at the beginning of the fourth year not less than 50 per cent. of the balance as then estimated, at the beginning of the fifth year not less than 90 per cent. of the balance as then estimated, and at the end of the fifth year the entire remainder of the total amount actually realized.

G. The following exceptions to paragraphs D and E above shall apply in the case of a Signatory Government whose share in Category B is less than its share in Category A:

- (i) Receipts of merchant ships by any such Government shall not reduce its percentage share in other types of assets in Category B, except to the extent that such receipts exceed the value obtained when that Government's Category A percentage is applied to the total value of merchant ships.
- (ii) Any excess of German assets within the jurisdiction of such Government over its Category A percentage share of the total of German assets within the jurisdiction of Signatory Governments as a whole shall be charged first to the additional share in Category B to which that Government would be entitled if its share in Category B were determined by applying its Category A percentage to the forms of German reparation in Category B.

H. If any Signatory Government renounces its shares or part of its shares in German reparation as set out in the above Table of Shares, or if it withdraws from the Inter-Allied Reparation Agency at a time when all or part of its shares in German reparation remain unsatisfied, the shares or part thereof thus renounced or remaining shall be distributed rateably among the other Signatory Governments.

ARTICLE 2

Settlement of Claims against Germany

A The Signatory Governments agree among themselves that their respective shares of reparation, as determined by the present Agreement, shall be regarded by each of them as covering all its claims and those of its nationals against the former German Government and its Agencies, of a governmental or private nature, arising out of the war (which are not otherwise provided for), including costs of German occupation, credits acquired during occupation on clearing accounts and claims against the Reichskreditkassen.

B. The provisions of paragraph A above are without prejudice to:

- (i) The determination at the proper time of the forms, duration or total amount of reparation to be made by Germany;
- (ii) The right which each Signatory Government may have with respect to the final settlement of German reparation, and
- (iii) Any political, territorial or other demands which any Signatory Government may put forward with respect to the peace settlement with Germany.

C. Notwithstanding anything in the provisions of paragraph A above, the present Agreement shall not be considered as affecting:

- (i) The obligation of the appropriate authorities in Germany to secure at a future date the discharge of claims against Germany and German nationals arising out of contracts and other obligations entered into, and rights acquired, before the existence of a state of war between Germany and the Signatory Government concerned or before the occupation of its territory by Germany, whichever was earlier;
- (ii) The claims of Social Insurance Agencies of the Signatory Governments or the claims of their nationals against the Social Insurance Agencies of the former German Government; and
- (iii) Banknotes of the Reichsbank and the Rentenbank, it being understood that their realization shall not have the result of reducing improperly the amount of reparation and shall not be effected without the approval of the Control Council for Germany.

D. Notwithstanding the provisions of paragraph A of this Article, the Signatory Governments agree that, so far as they are concerned, the Czechoslovak Government will be entitled to draw upon the Giro Account of the National Bank of Czechoslovakia at the Reichsbank, should such action be decided upon by the Czechoslovak Government and approved by the Control Council for Germany, in connection with the movement from Czechoslovakia to Germany of former Czechoslovak nationals.

ARTICLE 3

Waiver of Claims Regarding Property Allocated as Reparation

Each of the Signatory Governments agrees that it will not assert, initiate actions in international tribunals in respect of, or give diplomatic support to claims on behalf of itself or those persons entitled to its protection against any other Signatory Government or its nationals in respect of property received by that Government as reparation with the approval of the Control Council for Germany.

ARTICLE 4

General Principles for the Allocation of Industrial and other Capital Equipment

A. No Signatory Government shall request the allocation to it as reparation of any industrial or other capital equipment removed from Germany except for use in its own territory or for use by its own nationals outside its own territory.

B. In submitting requests to the Inter-Allied Reparation Agency, the Signatory Governments should endeavour to submit comprehensive programmes of requests for related groups of items, rather than requests for isolated items or small groups

of items. It is recognized that the work of the Secretariat of the Agency will be more effective, the more comprehensive the programmes which Signatory Governments submit to it.

C. In the allocation by the Inter-Allied Reparation Agency of items declared available for reparation (other than merchant ships, inland water transport and German assets in countries which remained neutral in the war against Germany), the following general principles shall serve as guides:

- (i) Any item or related group of items in which a claimant country has a substantial prewar financial interest shall be allocated to that country if it so desires. Where two or more claimants have such substantial interests in a particular item or group of items, the criteria stated below shall guide the allocation.
- (ii) If the allocation between competing claimants is not determined by paragraph (i), attention shall be given, among other relevant factors, to the following considerations:
 - (a) The urgency of each claimant country's needs for the item or items to rehabilitate, reconstruct or restore to full activity the claimant country's economy;
 - (b) The extent to which the item or items would replace property which was destroyed, damaged or looted in the war, or requires replacement because of excessive wear in war production, and which is important to the claimant country's economy;
 - (c) The relation of the item or items to the general pattern of the claimant country's prewar economic life and to programmes for its postwar economic adjustment or development;
 - (d) The requirements of countries whose reparation shares are small but which are in need of certain specific items or categories of items.
- (iii) In making allocations a reasonable balance shall be maintained among the rates at which the reparation shares of the several claimant Governments are satisfied, subject to such temporary exceptions as are justified by the considerations under paragraph (ii) (a) above.

ARTICLE 5

General Principles for the Allocation of Merchant Ships and Inland Water Transport

A.—(i) German merchant ships available for distribution as reparation among the Signatory Governments shall be distributed among them in proportion to the respective over-all losses of merchant shipping, on a gross tonnage basis, of the Signatory Governments and their nationals through acts of war. It is recognized that transfers of merchant ships by the United Kingdom and United States Governments to other Governments are subject to such final approvals by the legislatures of the United Kingdom and United States of America as may be required.

(ii) A special committee, composed of representatives of the Signatory Governments, shall be appointed by the Assembly of the Inter-Allied Reparation Agency to make recommendations concerning the determination of such losses and the allocation of German merchant ships available for distribution.

(iii) The value of German merchant ships for reparation accounting purposes shall be the value determined by the Tripartite Merchant Marine Commission in terms of 1938 prices in Germany plus 15 per cent., with an allowance for depreciation.

B. Recognizing that some countries have special need for inland water transport, the distribution of inland water transport shall be dealt with by a special committee appointed by the Assembly of the Inter-Allied Reparation Agency in the event that inland water transport becomes available at a future time as reparation for the Signatory Governments.

The valuation of inland water transport will be made on the basis adopted for the valuation of merchant ships or on an equitable basis in relation to that adopted for merchant ships.

ARTICLE 6

German External Assets

A. Each Signatory Government shall, under such procedures as it may choose, hold or dispose of German enemy assets within its jurisdiction in manners designed to preclude their return to German ownership or control and shall charge against its reparation share such assets (net of accrued taxes, liens, expenses of administration, other *in rem* charges against specific items and legitimate contract claims against the German former owners of such assets).

B. The Signatory Governments shall give to the Inter-Allied Reparation Agency all information for which it asks as to the value of such assets and the amounts realized from time to time by their liquidation.

C. German assets in those countries which remained neutral in the war against Germany shall be removed from German ownership or control and liquidated or disposed of in accordance with the authority of France, the United Kingdom and the United States of America, pursuant to arrangements to be negotiated with the neutrals by these countries. The net proceeds of liquidation or disposition shall be made available to the Inter-Allied Reparation Agency for distribution on reparation account.

D. In applying the provisions of paragraph A above, assets which were the property of a country which is a member of the United Nations or its nationals who were not nationals of Germany at the time of the occupation or annexation of this country by Germany, or of its entry into war, shall not be charged to its reparation account. It is understood that this provision in no way prejudices any questions which may arise as regards assets which were not the property of a national of the country concerned at the time of the latter's occupation or annexation by Germany or of its entry into war.

E. The German enemy assets to be charged against reparation shares shall include assets which are in reality German enemy assets, despite the fact that the nominal owner of such assets is not a German enemy.

Each Signatory Government shall enact legislation or take other appropriate steps, if it has not already done so, to render null and void all transfers made, after the occupation of its territory or its entry into war, for the fraudulent purpose of cloaking German enemy interests, and thus saving them harmless from the effect of control measures regarding German enemy interests.

F. The Assembly of the Inter-Allied Reparation Agency shall set up a Committee of Experts in matters of enemy property custodianship in order to overcome practical difficulties of law and interpretation which may arise. The Committee should in particular guard against schemes which might result in effecting fictitious or other transactions designed to favour enemy interests, or to reduce improperly the amount of assets which might be allocated to reparation.

ARTICLE 7

Captured supplies

The value of supplies and other materials susceptible of civilian use captured from the German Armed Forces in areas outside Germany and delivered to Signatory Governments shall be charged against their reparation shares in so far as such supplies and materials have not been or are not, in the future either paid for or delivered under arrangements precluding any charge. It is recognised that transfers of such supplies and material by the United Kingdom and United States Governments to other Governments are agreed to be subject to such final approval by the legislature of the United Kingdom or the United States of America as may be required.

ARTICLE 8

Allocation of a Reparation Share to Non-repatriable Victims of German Action

In recognition of the fact that large numbers of persons have suffered heavily at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any Government receiving reparation from Germany, the Governments of the United States of

America, France, the United Kingdom, Czechoslovakia and Yugoslavia, in consultation with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:

A. A share of reparation consisting of all the non-monetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding 25 million dollars shall be allocated for the rehabilitation and resettlement of non-repatriable victims of German action.

B. The sum of 25 million dollars shall be met from a portion of the proceeds of German assets in neutral countries which are available for reparation.

C. Governments of neutral countries shall be requested to make available for this purpose (in addition to the sum of 25 million dollars) assets in such countries of victims of Nazi action who have since died and left no heirs.

D. The persons eligible for aid under the plan in question shall be restricted to true victims of Nazi persecution and to their immediate families and dependants, in the following classes:

- (i) Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions;
- (ii) German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable on grounds of humanity to assist such persons to emigrate and providing they emigrate to other countries within a reasonable period;
- (iii) Nationals of countries formerly occupied by the Germans who cannot be repatriated or are not in a position to be repatriated within a reasonable time. In order to concentrate aid on the most needy and deserving refugees and to exclude persons whose loyalty to the United Nations is or was doubtful, aid shall be restricted to nationals or former nationals of previously occupied countries who were victims of Nazi concentration camps or of concentration camps established by regimes under Nazi influence but not including persons who have been confined only in prisoners of war camps.

E. The sums made available under paragraphs A and B above shall be administered by the Inter-Governmental Committee on Refugees or by a United Nations Agency to which appropriate functions of the Inter-Governmental Committee may in the future be transferred. The sums made available under paragraph C above shall be administered for the general purposes referred to in this article under a programme of administration to be formulated by the five Governments named above.

F. The non-monetary gold found in Germany shall be placed at the disposal of the Inter-Governmental Committee on Refugees as soon as a plan has been worked out as provided above.

G. The Inter-Governmental Committee on Refugees shall have power to carry out the purposes of the fund through appropriate public and private field organisations.

H. The fund shall be used, not for the compensation of individual victims, but to further the rehabilitation or resettlement of persons in the eligible classes.

I. Nothing in this article shall be considered to prejudice the claims which individual refugees may have against a future German Government, except to the amount of the benefits that such refugees may have received from the sources referred to in paragraphs A and C above.

PART II

Inter-Allied Reparation Agency

ARTICLE I

Establishment of the Agency

The Governments Signatory to the present Agreement hereby establish an Inter-Allied Reparation Agency (hereinafter referred to as "The Agency"). Each Government shall appoint a Delegate to the Agency and shall also be entitled to appoint an Alternate who, in the absence of the Delegate, shall be entitled to exercise all the functions and rights of the Delegate.

ARTICLE 2
Functions of the Agency

A. The Agency shall allocate German reparation among the Signatory Governments in accordance with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory Governments. For this purpose, the Agency shall be the medium through which the Signatory Governments receive information concerning, and express their wishes in regard to, items available as reparation.

B. The Agency shall deal with all questions relating to the restitution to a Signatory Government of property situated in one of the Western Zones of Germany which may be referred to it by the Commander of that Zone (acting on behalf of his Government), in agreement with the claimant Signatory Government or Governments, without prejudice, however, to the settlement of such questions by the Signatory Governments concerned either by agreement or arbitration.

ARTICLE 3.
Internal Organization of the Agency

A. The organs of the Agency shall be the Assembly and the Secretariat.

B. The Assembly shall consist of the Delegates and shall be presided over by the President of the Agency. The President of the Agency shall be the Delegate of the Government of France.

C. The Secretariat shall be under the direction of a Secretary-General, assisted by two Deputy Secretaries General. The Secretary-General and the two Deputy Secretaries General shall be appointed by the Governments of France, the United States of America and the United Kingdom. The Secretariat shall be international in character. It shall act for the Agency and not for the individual Signatory Governments.

ARTICLE 4
Functions of the Secretariat

The Secretariat shall have the following functions:

- A. To prepare and submit to the Assembly programmes for the allocation of German reparation;
- B. To maintain detailed accounts of assets available for, and of assets distributed as, German reparation;
- C. To prepare and submit to the Assembly the budget of the Agency;
- D. To perform such other administrative functions as may be required.

ARTICLE 5
Functions of the Assembly

Subject to the provisions of Articles 4 and 7 of Part II of this Agreement, the Assembly shall allocate German reparation among the Signatory Governments in conformity with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory Governments. It shall also approve the budget of the Agency and shall perform such other functions as are consistent with the provisions of this Agreement.

ARTICLE 6
Voting in the Assembly

Except as otherwise provided in this Agreement, each Delegate shall have one vote. Decisions in the Assembly shall be taken by a majority of the votes cast.

ARTICLE 7
Appeal from Decisions of the Assembly

A. When the Assembly has not agreed to a claim presented by a Delegate that an item should be allocated to his Government, the Assembly shall, at the request of that Delegate and within the time limit prescribed by the Assembly, refer the question to arbitration. Such reference shall suspend the effect of the decision of the Assembly on that item.

B. The Delegates of the Governments claiming an item referred to arbitration under paragraph A above shall select an Arbitrator from among the other Delegates. If agreement cannot be reached upon the selection of an Arbitrator, the United States Delegate shall either act as Arbitrator or appoint as Arbitrator another Delegate from among the Delegates whose Governments are not claiming the item. If the United States Government is one of the claimant Governments, the President of the Agency shall appoint as Arbitrator a Delegate whose Government is not a claimant Government.

ARTICLE 8

Powers of the Arbitrator

When the question of the allocation of any item is referred to arbitration under Article 7 of Part II of this Agreement, the Arbitrator shall have authority to make final allocation of the item among the claimant Governments. The Arbitrator may, at his discretion, refer the item to the Secretariat for further study. He may also, at his discretion, require the Secretariat to resubmit the item to the Assembly.

ARTICLE 9

Expenses

A. The salaries and expenses of the Delegates and of their staffs shall be paid by their own Governments.

B. The common expenses of the Agency shall be met from the funds of the Agency. For the first two years from the date of the establishment of the Agency, these funds shall be contributed in proportion to the percentage shares of the Signatory Governments in Category B and thereafter in proportion to their percentage shares in Category A.

C. Each Signatory Government shall contribute its share in the budget of the Agency for each budgetary period (as determined by the Assembly) at the beginning of that period; provided that each Government shall, when this Agreement is signed on its behalf, contribute a sum equivalent to not less than its Category B percentage share of £50,000 and shall, within three months thereafter, contribute the balance of its share in the budget of the Agency for the budgetary period in which this Agreement is signed on its behalf.

D. All contributions by the Signatory Governments shall be made in Belgian francs or such other currency or currencies as the Agency may require.

ARTICLE 10

Voting on the Budget

In considering the budget of the Agency for any budgetary period, the vote of each Delegate in the Assembly shall be proportional to the share of the budget for that period payable by his Government.

ARTICLE 11

Official Languages

The official languages of the Agency shall be English and French.

ARTICLE 12

Offices of the Agency

The seat of the Agency shall be in Brussels. The Agency shall maintain liaison offices in such other places as the Assembly, after obtaining the necessary consents, may decide.

ARTICLE 13

Withdrawal

Any Signatory Government, other than a Government which is responsible for the control of a part of German territory, may withdraw from the Agency after written notice to the Secretariat.

ARTICLE 14

Amendments and Termination

This Part II of the Agreement can be amended or the Agency terminated by a decision in the Assembly of the majority of the Delegates voting, provided that the Delegates forming the majority represent Governments whose shares constitute collectively not less than 80 per cent. of the aggregate of the percentage shares in Category A.

ARTICLE 15

Legal Capacity. Immunities and Privileges

The Agency shall enjoy in the territory of each Signatory Government such legal capacity and such privileges, immunities and facilities, as may be necessary for the exercise of its functions and the fulfilment of its purpose. The representatives of the Signatory Governments and the officials of the Agency shall enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Agency.

PART III

Restitution of Monetary Gold

Single Article

A. All the monetary gold found in Germany by the Allied Forces and that referred to in paragraph G below (including gold coins, except those of numismatic or historical value, which shall be restored directly if identifiable) shall be pooled for distribution as restitution among the countries participating in the pool in proportion to their respective losses of gold through looting or by wrongful removal to Germany.

B. Without prejudice to claims by way of reparation for unrestored gold, the portion of monetary gold thus accruing to each country participating in the pool shall be accepted by that country in full satisfaction of all claims against Germany for restitution of monetary gold.

C. A proportional share of the gold shall be allocated to each country concerned which adheres to this arrangement for the restitution of monetary gold and which can establish that a definite amount of monetary gold belonging to it was looted by Germany or, at any time after March 12th, 1938, was wrongfully removed into German territory.

D. The question of the eventual participation of countries not represented at the Conference (other than Germany but including Austria and Italy) in the above-mentioned distribution shall be reserved, and the equivalent of the total shares which these countries would receive, if they were eventually admitted to participate, shall be set aside to be disposed of at a later date in such manner as may be decided by the Allied Governments concerned.

E. The various countries participating in the pool shall supply to the Governments of the United States of America, France and the United Kingdom, as the occupying Powers concerned, detailed and verifiable data regarding the gold losses suffered through looting by, or removal to, Germany.

F. The Governments of the United States of America, France and the United Kingdom shall take appropriate steps within the Zones of Germany occupied by them respectively to implement distribution in accordance with the foregoing provisions.

G. Any monetary gold which may be recovered from a third country to which it was transferred from Germany shall be distributed in accordance with this arrangement for the restitution of monetary gold.

PART IV

Entry into Force and Signature

ARTICLE I

Entry into Force

This Agreement shall be open for signature on behalf of any Government represented at the Paris Conference on Reparation. As soon as it has been signed on behalf of Governments collectively entitled to not less than 80 p. 100 of the aggregate of shares in Category A of German reparation, it shall come into force among such Signatory Governments. The Agreement shall thereafter be in force among such Governments and those Governments on whose behalf it is subsequently signed.

ARTICLE 2

Signature

The signature of each contracting Government shall be deemed to mean that the effect of the present Agreement extends to the colonies and overseas territories of such Government, and to territories under its protection or suzerainty or over which it at present exercises a mandate.

In witness whereof, the undersigned, duly authorized by their respective Governments, have signed in Paris the present Agreement, in the English and French languages, the two texts being equally authentic, in a single original, which shall be deposited in the Archives of the Government of the French Republic, a certified copy thereof being furnished by that Government to each Signatory Government.

For the Government of

, 194 .

For the Government of

, 194 .

Unanimous Resolutions by the Conference

The Conference has also unanimously agreed to include the following Resolutions in the Final Act:

1. *German Assets in the Neutral Countries.*

The Conference unanimously resolves that the countries which remained neutral in the war against Germany should be prevailed upon by all suitable means to recognize the reasons of justice and of international security policy which motivate the Powers exercising supreme authority in Germany and the other Powers participating in this Conference in their efforts to extirpate the German holdings in the neutral countries.

2. *Gold transferred to the Neutral Countries.*

The Conference unanimously resolves that, in conformity with the policy expressed by the United Nations Declaration against Axis Acts of Dispossession of 5th January, 1943, and the United Nations Declaration on Gold of 22nd February, 1944, the countries which remained neutral in the war against Germany be prevailed upon to make available for distribution in accordance with Part III of the foregoing Agreement all looted gold transferred into their territories from Germany.

3. *Equality of Treatment regarding Compensation for War Damage.*

The Conference unanimously resolves that, in the administration of reconstruction or compensation benefits for war damage to property, the treatment accorded by each Signatory Government to physical persons who are nationals and to legal persons who are nationals of or are owned by nationals of any other Signatory Government, so far as they have not been compensated after the war for the same property under any other form or on any other occasion, shall be in principle not less favourable than that which the Signatory Government accords to its

own nationals. In view of the fact that there are many special problems of reciprocity related to this principle, it is recognized that in certain cases the actual implementation of the principle cannot be achieved except through special agreements between Signatory Governments.

Reference to the Annex to the Final Act

During the course of the Conference, statements were made by certain Delegates, in the terms set out in the attached Annex, concerning matters not within the competence of the Conference but having a close relation with its work. The Delegates whose Governments are represented on the Control Council for Germany undertook to bring those statements to the notice of their respective Governments.

In witness whereof the undersigned have signed the present Final Act of the Paris Conference on Reparation.

Done in Paris on 21st December, 1945, in the English and French languages, the two texts being equally authentic, in a single original, which shall be deposited in the Archives of the Government of the French Republic, certified copies thereof being furnished by that Government to all the Governments represented at that Conference.

Hysni KAPO, Delegate of Albania;

James W. ANGELL, Delegate of the United States of America;

E. Ronald WALKER, Delegate of Australia;

KAECKENBEECK, Delegate of Belgium;

Maurice POPE, Delegate of Canada;

KRUSE, for the Delegate of Denmark;

, Delegate of Egypt;

Jacques RUEFF, Delegate of France;

S. D. WALEY, Delegate of the United Kingdom of Great Britain and Northern Ireland;

, Delegate of Greece;

P. CHANDHURI, Delegate of India;

[These signatures are appended in agreement with his Britannic Majesty's representative for the exercise of the functions of the Crown in its relations with the Indian States.]

WEHRER, Delegate of Luxembourg;

HELGEBY, Delegate of Norway;

S. D. WALEY, for the Delegate of New Zealand;

BOISSEVAIN, Delegate of the Netherlands;

Vavro HAJDU, Delegate of Czechoslovakia;

Maurice POPE, for the Delegate of the Union of South Africa;

Ales BEBLER, Delegate of Yugoslavia.

ANNEX

i. Resolution on the subject of Restitution.

The Albanian, Belgian, Czechoslovak, Danish, French, Greek, Indian, Luxembourg, Netherlands and Yugoslav Delegates agree to accept as the basis of a restitution policy the following principles:

- (a) The question of the restitution of property removed by the Germans from the Allied countries must be examined in all cases in the light of the United Nations Declaration of 5th January, 1943.
- (b) In general, restitution should be confined to identifiable goods which (i) existed at the time of the occupation of the country concerned, and were removed with or without payment; (ii) were produced during the occupation and obtained by an act of force.

- (c) In cases where articles removed by the enemy cannot be identified, the claim for replacement should be part of the general reparation claim of the country concerned.
- (d) As an exception to the above principles, objects (including books, manuscripts and documents) of an artistic, historical, scientific (excluding equipment of an industrial character), educational or religious character which have been looted by the enemy occupying Power shall, so far as possible, be replaced by equivalent objects if they are not restored.
- (e) With respect to the restitution of looted goods which were produced during the occupation and which are still in the hands of German concerns or residents of Germany, the burden of proof of the original ownership of the goods shall rest on the claimants and the burden of proof that the goods were acquired by a regular contract shall rest on the holders.
- (f) All necessary facilities under the auspices of the Commanders-in-Chief of the occupied Zones shall be given to the Allied States to send expert missions into Germany to search for looted property and to identify, store and remove it to its country of origin.
- (g) German holders of looted property shall be compelled to declare it to the control authorities; stringent penalties shall be attached to infractions of this obligation.

2. Resolution on Reparation from Existing Stocks and Current Production.

The Delegates of Albania, Belgium, Czechoslovakia, Denmark, Egypt, France, Greece, India, Luxembourg, the Netherlands, Norway and Yugoslavia,

In view of the decision of the Crimea Conference that Germany shall make compensation to the greatest possible extent for the losses and suffering which she has inflicted on the United Nations,

Considering that it will not be possible to satisfy the diverse needs of the Governments entitled to reparation unless the assets to be allocated are sufficiently varied in nature and the methods of allocation are sufficiently flexible,

Express the hope that no category of economic resources in excess of Germany's requirements as defined in Part III, article 15 of the Potsdam Declaration, due account being taken of article 19 of the same Part, shall in principle be excluded from the assets, the sum total of which should serve to meet the reparation claims of the Signatory Governments.

It thus follows that certain special needs of different countries will not be met without recourse in particular to German existing stocks, current production and services, as well as Soviet reciprocal deliveries under Part IV of the Potsdam Declaration.

It goes without saying that the foregoing shall be without prejudice to the necessity of achieving the economic disarmament of Germany.

The above named Delegates would therefore deem it of advantage were the Control Council to furnish the Inter-Allied Reparation Agency with lists of existing stocks, goods from current production and services, as such stocks, goods or services become available as reparation. The Agency should, at all times, be in a position to advise the Control Council of the special needs of the different Signatory Governments.

3. Resolution regarding Property in Germany belonging to United Nations or their nationals.

The Delegates of Albania, Belgium, Czechoslovakia, France, Greece, Luxembourg, the Netherlands, Norway and Yugoslavia, taking into account the fact that the burden of reparation should fall on the German people, recommend that the following rules be observed regarding the allocation as reparation of property (other than ships) situated in Germany:

- (a) To determine the proportion of German property available as reparation account shall be taken of the sum total of property actually constituting the German economy, including assets belonging to a United Nation or to its nationals, but excluding looted property, which is to be restored.

- (o) In general, property belonging legitimately to a United Nation or to its nationals, whether wholly owned or in the form of a shareholding of more than 48 per cent., shall so far as possible be excluded from the part of German property considered to be available as reparation.
- (c) The Control Council shall determine the cases in which minority shareholdings of a United Nation or its nationals shall be treated as forming part of the property of a German juridical person and therefore having the same status as that juridical person.
- (d) The foregoing provisions do not in any way prejudice the removal or destruction of concerns controlled by interests of a United Nation or of its nationals when this is necessary for security reasons.
- (e) In cases where an asset which is the legitimate property of one of the United Nations or its nationals has been allocated as reparation or destroyed, particularly in the cases referred to in paragraphs (b), (c) and (d) above, equitable compensation to the extent of the full value of this asset shall be granted by the Control Council to the United Nation concerned as a charge on the German economy. This compensation shall, when possible, take the form of a shareholding of equal value in German assets of a similar character which have not been allocated as reparation.
- (f) In order to ensure that the property in Germany of persons declared by one of the United Nations to be collaborators or traitors shall be taken from them, the Control Council shall give effect in Germany to legislative measures and juridical decisions by courts of the United Nation concerned in regard to collaborators or traitors who are nationals of that United Nation or were nationals of that United Nation at the date of its occupation or annexation by Germany or entry into the war. The Control Council shall give to the Government of such United Nation facilities to take title to and possession of such assets and to dispose of them.

4. Resolution on captured War Material

The Delegates of Albania, Belgium, Denmark, Luxembourg, the Netherlands, Norway, Czechoslovakia and Yugoslavia, taking account of the fact that part of the war material seized by the Allied Armies in Germany is of no use to these Armies but would, on the other hand, be of use to other Allied countries recommend:

- (a) That, subject to Resolution 1 of this Annex on the subject of restitution, war material which was taken in the Western Zones of Germany and which has neither been put to any use nor destroyed as being of no value, and which is not needed by the Armies of Occupation or is in excess of their requirements, shall be put at the disposal of countries which have a right to receive reparation from the Western Zones of Germany, and
- (b) That the competent authorities shall determine the available types and quantities of this material and shall submit lists to the Inter-Allied Reparation Agency, which shall proceed in accordance with the provisions of Part II of the above Agreement.

5. Resolution on German Assets in the Julian March and the Dodecanese

The Delegates of Greece, the United Kingdom and Yugoslavia (being the Delegates of the countries primarily concerned), agree that:

- (a) The German assets in Venezia Giulia (Julian March) and in the Dodecanese shall be taken into custody by the military authorities in occupation of those parts of the territory which they now occupy, until the territorial questions have been decided; and
- (b) As soon as a decision on the territorial questions has been reached, the liquidation of the assets shall be undertaken in conformity with the provisions of Paragraph A of Article 6 of Part I of the foregoing Agreement by the countries whose sovereignty over the disputed territories has now been recognized.

6. Resolution on Costs relating to Goods Delivered from Germany as Reparation

The Delegates of Albania, Australia, Belgium, Canada, Denmark, Egypt, France, Greece, India, Luxembourg, Norway, New Zealand, the Netherlands, Czechoslovakia and Yugoslavia recommend that the costs of dismantling, packing, transporting, handling, loading and all other costs of a general nature relating to goods to be delivered from Germany as reparation, until the goods in question have passed the German frontier, and expenditure incurred in Germany for the account of the Inter-Allied Reparation Agency or of the Delegates of the Agency should, in so far as they are payable in a currency which is legal tender in Germany, be paid as a charge on the German economy.

7. Resolution on the Property of War Criminals.

The Delegates of Albania, Belgium, France, Luxembourg, Czechoslovakia and Yugoslavia express the view that:

- (a) The legislation in force in Germany against German war criminals should provide for the confiscation of the property in Germany of those criminals, if it does not do so already;
- (b) The property so confiscated, except such as is already available as reparation or restitution, should be liquidated by the Control Council and the net proceeds of the liquidation paid to the Inter-Allied Reparation Agency for division according to the principles set out in the foregoing Agreement.

8. Resolution on Recourse to the International Court of Justice

The Delegates of Albania, Australia, Belgium, Denmark, France, Luxembourg, the Netherlands, Norway, Czechoslovakia and Yugoslavia recommend that:

Subject to the provisions of Article 3 of Part I of the foregoing Agreement, the Signatory Governments agree to have recourse to the International Court of Justice for the solution of every conflict of law or of competence arising out of the provisions of the foregoing Agreement which has not been submitted by the parties concerned to amicable solution or arbitration.

La présente copie certifiée conforme à l'exemplaire original unique en langues anglaise et française signé à Paris le 21 décembre, 1945, et déposé dans les Archives de la République Française.

Le Ministre Plénipotentiaire, Chef du Protocole:

JACQUES DUMAINE.

ANNEX IV

RULES OF THE AGENCY⁽¹⁾

CHAPTER I. ASSEMBLY MEETINGS

ARTICLE I

The Assembly shall meet as often as is necessary in order to settle the allocation of German reparation in accordance with the provisions of the Paris Agreement on Reparation of 14th January, 1946, and to fulfil any other functions in accordance with the provisions of the Paris Agreement.

ARTICLE 2

The Assembly shall be convened either (a) at a date fixed by the Assembly before the close of its preceding session, or (b) upon the request of the President, at a date fixed by him, or (c) at a date fixed by the Secretary-General on written request addressed to him by one third or more of the Delegates to the Agency, whichever date is the earliest.

ARTICLE 3

The meetings of the Assembly shall be held in Brussels, unless otherwise decided by the Assembly.

ARTICLE 4

The Secretary-General shall notify all the Delegates at their Brussels addresses of the date of the opening of each session at least seven days before this date, unless the date has been fixed by the Assembly at its preceding session.

⁽¹⁾ As of 31 December, 1946.

CHAPTER II. DELEGATES

ARTICLE 5

Each Member Government shall appoint a Delegate to the Agency. It may appoint an Alternate and the Delegate may designate substitutes for the Alternate. Either the Alternate or the substitutes, in the absence of the Delegate, shall be entitled to exercise all the functions and rights of the Delegate, as the Delegate may decide.

Each Delegate shall also be entitled to designate such technical advisers and experts as he may need to assist him.

ARTICLE 6

The names of the Delegates and of the members of their staffs, as well as such documents as may be needed to accredit them to the Agency, shall be communicated to the Secretary-General.

CHAPTER III. AGENDA

ARTICLE 7

The Secretary-General shall submit to the Delegates a draft Agenda before each Session of the Assembly and shall, whenever possible, circulate it to the Delegates at least seven days before the opening of the Session.

ARTICLE 8

The draft Agenda shall comprise all items whose inclusion has been approved by the Assembly during its preceding Session, all items which the Secretary-General may think advisable to include, and all items whose inclusion has been requested by the President or by any other Delegate.

ARTICLE 9

The Assembly shall determine its Agenda at the opening of each Session. During the Session any Delegate may introduce a motion to add other items to the Agenda. Delegates shall be entitled to speak for a reasonable period on items which they have requested to be included in the Agenda.

CHAPTER IV. PRESIDENT

ARTICLE 10

The President of the Agency shall be the Delegate of the Government of France, or in his absence his Alternate. The President shall preside over the Assembly.

ARTICLE 11

The President shall not vote.

The Alternate of the Delegate of the Government of France shall have the power to vote in his stead.

ARTICLE 12

The President shall open and close the meetings of the Assembly, direct its debates, ensure the observance of the Rules of the Agency, call on the speakers, and announce decisions of the Assembly.

CHAPTER V. PROCEEDINGS

ARTICLE 13

No Delegate may speak at the meetings of the Assembly or of its Committees without having first been authorized to do so by the President of the Assembly or the Chairman of the Committee.

At meetings of the Assembly or of Committees the President of the Assembly or the Chairman of the Committee, respectively, shall normally call on Delegates to speak in the order in which the Delegates have signified their wish to speak, and may call a speaker to order whenever in his opinion the speaker's remarks do not bear on the subject under discussion.

ARTICLE 14

During debates every Delegate shall be at any time entitled to submit a motion for adjournment of the debate or to raise a point of order. Such motion or point of order shall have priority.

ARTICLE 15

The Assembly or its Committees may limit the time allotted to each speaker.

ARTICLE 16

Resolutions, amendments or any other motions, except motions for adjournment, submitted to the Assembly or to its Committees shall, as far as possible, be presented in writing to the Secretary General, 48 hours before the meeting at which they are to be discussed.

The Secretary General shall, as promptly as possible, distribute such proposals to all the Delegates.

CHAPTER VI. VOTING IN THE ASSEMBLY

ARTICLE 17

A quorum in the Assembly shall consist of two-thirds of the Delegates entitled to vote, provided that in the consideration of the Budget of the Agency, the Delegates constituting the quorum also represent Governments whose shares of the Budget form collectively not less than two-thirds of the aggregate of shares in the Budget.

ARTICLE 18

The rules of the Agency shall be adopted or amended by decisions of the Assembly.

ARTICLE 19

Except as otherwise provided in these Rules, each Delegate shall have one vote in the Assembly.

Decisions in the Assembly shall be taken by a majority of the votes cast.

In the case of a tie vote, the motion shall be deemed to have been defeated.

ARTICLE 20

In considering the Budget of the Agency for any budgetary period, the vote of each Delegate in the Assembly shall be proportional to the share of the budget payable by his Government for that period.

ARTICLE 21

Part II of the Paris Agreement on Reparation of 14th January, 1946, can be amended, directly or indirectly, or the Agency terminated only by a decision in the Assembly of the majority of the Delegates voting, and provided that the Delegates forming this majority represent Governments whose shares constitute collectively not less than 80 per cent. of the aggregate of the percentage shares in category A as defined in the Paris Agreement.

ARTICLE 22

Voting in the Assembly shall normally take place by a show of hands, unless one of the Delegates requests a roll call. If the roll is called, Delegates shall vote in the French alphabetical order of the names of the countries they represent and the name and vote of each Delegate taking part in the voting shall be inserted in the Minutes.

CHAPTER VII. APPEAL FROM DECISIONS OF THE ASSEMBLY

ARTICLE 23

(a) Any decision of the Assembly on the allocation of German reparation shall, subject to the reservation in para. (b) below, come into force at once.

(b) If a Delegate whose Government has submitted a bid for an item which has not been agreed to by the Assembly, has indicated, either by a dissenting vote, or by a motion put forward before the closure of the debate, that he intends to

reserve his right to request arbitration, the decision of the Assembly on that item shall not come into force until eight working days after it is taken or until all Delegates whose claims for the item were not agreed to by the Assembly waive their right to request arbitration, whichever date is the earlier.

(c) At any time within that period of eight working days, any Delegate whose claim for the item was not agreed to by the Assembly may request reference of the question to arbitration. Thereupon the President shall immediately grant the request. Such reference shall suspend the effect of the decision of the Assembly on that item.

(d) The Delegate or Delegates who requested such reference may withdraw the request at any time. If all Delegates who requested the reference thus withdraw their request, the decision of the Assembly shall come into force.

ARTICLE 24

The Delegates of the Governments claiming an item referred to arbitration under Article 23 above shall select an Arbitrator from among the other Delegates. If agreement cannot be reached upon the selection of an Arbitrator, the President shall request the Delegate of the United States either to act as Arbitrator or to appoint as Arbitrator another Delegate from among the Delegates whose Governments are not claiming the item. If the United States Government is one of the claimant Governments, the President of the Agency shall appoint as Arbitrator a Delegate whose Government is not a claimant Government. In all cases, the name of the Arbitrator shall be communicated to the Secretary General.

ARTICLE 25

The Arbitrator shall have authority to make final allocation of the item referred to him among the claimant Governments.

The Arbitrator may, at his discretion, refer the item to the Secretariat for further study. He may also, at his discretion, require the Secretariat to resubmit the item to the Assembly.

The Arbitrator shall take action as rapidly as is consistent with the effective fulfilment of his responsibilities. He shall communicate his decision to the Secretary General, who shall inform the Assembly of this decision during its next meeting.

CHAPTER VIII. MINUTES

ARTICLE 26

At each meeting of the Assembly or its Committees, unless otherwise decided, a verbatim record shall be taken in shorthand. This record shall be available for inspection by all the Delegates. The Assembly or the competent Committee may require circulation of the record to the Delegates.

ARTICLE 27

Draft Minutes containing the decisions and a summary of the debates of the Assembly and of its Committees shall be drawn up after each meeting. These draft Minutes shall, as far as possible, be distributed before the ensuing meeting of the Assembly or Committee. Delegates may suggest modifications of the draft Minutes to the Secretary General within three working days following the day of the distribution of the draft Minutes. Unless otherwise decided by the Assembly or the Committee, the draft Minutes as modified shall be regarded as final.

CHAPTER IX. OFFICIAL LANGUAGES

ARTICLE 28

The official languages of the Agency shall be English and French. All the documents of the Assembly, and other documents as necessary, shall be drawn up in English and French. Speeches or statements made in the Assembly or its Committees in either of these two languages shall be immediately translated into the other official language, unless otherwise unanimously decided.

ARTICLE 29

Delegates shall be entitled to use another language besides the two official ones in the Assembly or its Committees, provided they supply on their own respon-

sibility an immediate oral translation of their speeches or statements into one of the two official languages.

CHAPTER X. PUBLICITY OF MEETINGS

ARTICLE 30

Except as otherwise decided by the Assembly, the meetings of the Assembly and of its Committees shall be secret.

ARTICLE 31

The Assembly shall approve the texts of communiques concerning its deliberations and decisions. Such communiques shall be given to the Press only through the Secretary General.

CHAPTER XI. COMMITTEES OF THE ASSEMBLY

ARTICLE 32

Members of the Committees of the Assembly shall be elected by the Assembly.

Members of Committees may only be Delegates, but each Delegate may appoint one or more experts or technical advisers to represent him on a Committee.

Experts and technical advisers shall not be appointed as Chairmen or Reporters of a Committee, except by the express authorisation of the Assembly.

ARTICLE 33

The Assembly shall determine the number of Delegates constituting a quorum in each Committee.

ARTICLE 34

Unless otherwise decided by the Assembly, the seat of each Committee shall be at Brussels.

ARTICLE 35

Except as otherwise provided in these Rules, each Delegate shall have one vote in a Committee, and decisions in the Committees shall be taken by a majority of the votes cast.

In the case of a tie vote, the motion shall be deemed to have been defeated.

ARTICLE 36

Committees shall report to the Assembly as promptly as possible their conclusions on all matters entrusted to them.

Except in the case of a decision to the contrary by the Assembly a report of a Committee shall be made in writing by the Chairman of the Committee and shall be communicated to the Secretary General in time to allow the Secretariat to circulate it to all Delegates 48 hours before the report is to be discussed in the Assembly.

The Chairman of a Committee may supplement his report by a verbal statement in the Assembly.

Members of a Committee who do not concur in the conclusions reached by a Committee may submit separate reports to the Assembly, either in writing through the Secretary General or verbally at the Assembly.

ARTICLE 37

A Committee on Credentials composed of five members shall be elected each year at the first Session of the Assembly.

The Committee on Credentials shall examine the credentials of the Delegates and their Alternates and other members of their staffs.

ARTICLE 38

A Committee on Finance and Accounts, composed of five members, shall be elected at least three months before the end of each financial year for the succeeding financial year.

The terms of reference and duties of the Committee on Finance and Accounts are set forth in Chapter XIII of these Rules.

ARTICLE 39

A Committee on German External Assets, composed of six members, shall be elected with power to co-opt other members for particular issues. It shall deal with questions relating to German external assets referred to it by the Assembly.

The Committee on German External Assets shall appoint a Committee of Experts in matters of enemy property custodianship to report to it.

This Committee of Experts shall examine the practical difficulties in matters of law and interpretation which may arise in connection with liquidation, conversion and accounting with respect to German external assets. The Committee of Experts should in particular guard against schemes which might result in effecting fictitious or other transactions designed to favour enemy interests, or to reduce improperly the amount of assets which might be allocated to reparation.

ARTICLE 40

A Committee on Merchant Shipping shall be elected.

The Committee shall make recommendations to the Assembly concerning the determination of losses suffered and the allocation of the German merchant ships available for distribution as reparation in proportion to the respective overall losses of merchant shipping, on a gross tonnage basis, of the member Governments and their nationals through acts of war.

ARTICLE 41

A Committee on Inland Water Transport shall be elected. The Committee shall examine all questions relating to inland water transport referred to it by the Assembly. It shall also make recommendations to the Assembly with regard to the valuation and allocation of inland water transport, in the event that inland water transport becomes available as reparation to the member Governments.

ARTICLE 42

A Committee on Existing Stocks, Goods from Current Production and Services shall be elected. The Committee shall examine all questions relating to existing stocks, goods from current production and services which may be referred to it by the Assembly.

In particular, the Committee shall make recommendations to the Assembly concerning general principles for the allocation of goods and services which have been or may be declared available as reparation, including goods to be delivered by the U.S.S.R. in accordance with Art. 4, par. 4a, of the Potsdam Declaration.

ARTICLE 43

A Committee on Industrial and Scientific Property Rights shall be elected.

The Committee shall examine all questions relating to German patents, models, prints and drawings, trade marks, technical processes and other industrial and scientific property rights which may be referred to it by the Assembly.

ARTICLE 43A

A Committee on Author's Rights shall be elected by the Assembly.

The Committee shall examine all questions relating to German authors' rights and other German-owned artistic and literary property rights which may be referred to it by the Assembly or by the Committee on German External Assets.

ARTICLE 44

An Arbitration Commission shall be constituted for each of the questions on restitution submitted to the Agency under Article 2 B of Part II of the Paris Agreement on Reparation of 14th January, 1946.

Each Commission shall be composed of three members elected by the Delegates of the Governments interested in the question from among the Delegates of Governments not so interested; or, if agreement cannot be reached, by the Assembly.

Decisions of the Commissions shall require the agreement of at least two of the three members, and shall be final. Decisions shall be notified to the Secretary General, who shall communicate them to the Assembly at its next meeting.

CHAPTER XII. SECRETARY GENERAL AND SECRETARIAT

ARTICLE 45

The Secretary General of the Agency shall be the Secretary of the Assembly and of its Committees.

The Secretary General may designate one of the Deputy Secretaries or a member of his staff to represent him at the meetings of the Assembly or of its Committees.

ARTICLE 46

The Secretary General shall make quarterly and annual reports to the Assembly on the work accomplished during the preceding periods. After approval by the Assembly, these reports shall be published. The first report shall cover the period ending 30th June, 1946.

He shall likewise submit to the Assembly any additional reports which the Assembly may require him to make, or which he may desire to submit.

The annual report shall be submitted to the Delegates in February of each year.

ARTICLE 47

The Secretary General shall communicate to the Delegates lists of assets available for reparation as promptly as he receives them. He shall likewise communicate to them any other information concerning such assets as may be necessary to allow member Governments to formulate their claims.

He shall receive reparation claims from the Delegates. He shall communicate to each Delegate the claims transmitted to him by other Delegates as soon as he has received them.

He shall draw up Programs of Allocation after consultation with the Delegates and shall attempt to reconcile competing claims. He shall submit the Programs of Allocation to the Assembly with the least possible delay.

ARTICLE 48

The Secretary General shall maintain detailed accounts of assets available for, and of assets distributed as, German reparation.

ARTICLE 49

The Secretary General shall as far as possible keep the Delegates informed in regard to the progress of deliveries under reparation programs.

ARTICLE 50

The Secretary General shall represent the Agency in all financial, legal and other administrative matters, and in particular in matters of privileges, immunities and the like.

ARTICLE 51

The Secretary General shall receive, reproduce, translate and distribute the documents, reports and resolutions of the Assembly and its Committees. He shall supply interpreters for the meetings of the Assembly and its Committees. He shall further undertake the editing, reproducing and distribution of the minutes of the meetings, and shall ensure the safe-keeping of documents in the archives of the Agency.

ANNEX V

RESOLUTION ADOPTED ON 8TH OCTOBER, 1946, BY THE ASSEMBLY
THE ASSEMBLY OF THE INTER-ALLIED REPARATION AGENCY,

RECALLING the objects for which it was set up by the Paris Agreement of 14th January, 1946,

DEPLORES the slow rate at which industrial capital equipment from Germany is being made available for distribution between its member Governments, a state of affairs inconsistent with the reparation policy enunciated in the Yalta Communiqué and the Potsdam Declaration of 2nd August, 1945;

OBSERVING that the value of industrial capital equipment as reparation is in direct relation to the speed at which it can be dismantled, removed and incorporated into the economy of the recipient countries;

OBSERVING that the Potsdam Declaration stressed the need for speed in the delivery of industrial capital equipment (a) by providing that such deliveries should be completed as soon as possible, and (b) by making special provision for advance deliveries of industrial capital equipment to begin prior to the fixing of the total amount to be removed from Germany;

RECORDING that 14 months after the Potsdam Declaration only an insignificant number of plants has been declared available for distribution among members of the Agency and that the Agency has received no official explanation of the reasons for the present delays or information regarding the prospect of future allocation of industrial capital equipment.

THEREFORE CONSIDERS

that the serious state of affairs described above should be brought to the notice of the Council of Foreign Ministers at the earliest possible date with a view to a speedy remedy.

AND DECIDES to charge its President

(i) to request the Delegates of the United States, France and the United Kingdom, being the Delegates of the Governments of those Powers occupying Germany which are also signatories to the Paris Agreement of 14th January, 1946, and the Soviet Ambassador to Belgium, to bring this resolution urgently to the notice of their respective Governments and to inform their respective Governments that it is the wish of this Assembly that the matter be placed on the Agenda of the Council of Foreign Ministers at the earliest possible date.

(ii) to inform the President of the Allied Control Council in Berlin of the action taken by the Assembly.

ANNEX VI

CONTRIBUTIONS PAID BY STATES MEMBERS OF THE AGENCY

	Per Cent.	Total under 1946 budget in Belgian francs	£ at 176.625 frs.	\$ at 43.83 frs.
Albania	0.35	144,314.10	817 1 3	3,292.60
United States of America	11.80	4,865,446.80	27,546 15 3	111,007.22
Australia	0.95	391,709.70	2,217 14 11	8,937.02
Belgium	4.50	1,855,467.00	10,505 2 5	42,333.26
Canada	1.50	618,489.00	3,501 14 2	14,111.10
Denmark	0.35	144,314.10	817 1 3	3,292.60
Egypt	0.20	82,465.20	466 17 11	1,881.50
France	22.80	9,401,032.80	53,225 18 11	214,488.55
United Kingdom	27.80	11,462,662.80	64,898 6 0	261,525.50
Greece	4.35	1,793,618.10	10,154 19 0	40,922.15
India	2.90	1,195,745.40	6,769 19 4	27,281.45
Luxemburg	0.40	164,930.40	933 15 8	3,762.95
Norway	1.90	783,419.40	4,435 9 11	17,874.05
New Zealand	0.60	247,395.60	1,400 13 7	5,644.45
Netherlands	5.60	2,309,025.60	13,073 0 9	52,681.40
Czechoslovakia	4.30	1,773,001.80	10,038 4 5	40,451.80
Union of South Africa	0.10	41,232.60	233 8 11	940.75
Yugoslavia	9.60	3,958,329.60	22,410 18 6	90,310.95
	100.0	41,232,600.00	233,447 2 2	940,739.30

ANNEX VII

INTER-ALLIED REPARATION AGENCY LIST OF DELEGATES, ALTERNATES AND SUBSTITUTES

Albania

M. Kahreman YLLI, Minister Plenipotentiary, *Delegate.*
M. Lluka JOANIDI, *Alternate.*

Union of South Africa

Mr. Basil Johnstone JARVIE, Chargé d'affaires a.i., *Delegate.*
Mr. H. P. MARTIN, *Alternate.*

Australia

Dr. E. Ronald WALKER, Chargé d'affaires, *Delegate.*
Mr. J. R. S. COCHRANE, *Alternate.*
Sir Desmond MORTON, K.C.B., C.M.G., M.C., *Substitute.*
Mr. W. G. ONSLOW, *Substitute.*
Mr. H. P. MOSS, *Substitute.*
Mr. Michael COLMAN, *Substitute.*

Belgium

M. G. DUQUESNE WATELET de la VINELLE, *Delegate.*
M. R. DIDISHEIM, *Alternate.*

Canada

H.E. the Hon. W. F. A. TURGEON, Ambassador, *Delegate.*
Colonel G. W. MacPHERSON, *Alternate.*
Mr. T. LeM. CARTER, *Substitute.*

Denmark

Mr. P. VILLADSEN, *Delegate.*
H.E. M. Bent FALKENSTJERNE, Minister Plenipotentiary, *Alternate.*
Mr. J. B. WORM, *Substitute.*

Egypt

Iskander EL WAHHABY Bey, Chargé d'affaires, *Delegate.*
Mr. Hussein MANSOUR, *Alternate.*
Mr. Maher T. DOSS, *Substitute.*
Mr. Mahmoud Aziz BEHERY, *Substitute.*

United States of America

Mr. Russell H. DORR, Minister Plenipotentiary, *Delegate.*
Mr. Hamilton Q. DEARBORN, *Substitute.*
Mr. James SIMSARIAN, *Substitute.*
Mr. Hamlin ROBINSON, *Substitute.*

France

M. Jacques RUEFF, *Delegate*, President of the Inter-Allied Reparation Agency.

H.E. M. Henry SPITZMULLER, Minister Plenipotentiary, *Alternate*.
Baron Michel DARD, *Substitute*.

United Kingdom

Sir Desmond MORTON, K.C.B., C.M.G., M.C., *Delegate*.

Mr. W. G. ONSLOW, *Alternate*.

Mr. E. J. WILLIS, *Substitute*.

Mr. D. CARTER, *Substitute*.

Mr. F. KEENLYSIDE, *Substitute*.

Greece

H.E. M. T. TRIANTAFYLLAKOS, Minister Plenipotentiary, *Delegate*.
M. Minos PALIERAKIS, *Alternate*.

India

Mr. P. C. CHAUDHURI, O.B.E., I.C.S., *Delegate*.

Mr. S. A. MAYBURY-LEWIS, *Alternate*.

Mr. K. V. RAMASWAMY, *Substitute*.

Mr. G. A. AHMAD, *Substitute*.

Luxemburg

M. WEHRER, Minister Plenipotentiary, *Delegate*.
M. Nicolas HOMMEL, *Alternate*.

Norway

Mr. Carsten HELGEBY, *Delegate*.

Cdt. Thore BOYE, *Alternate*.

New Zealand

Mr. G. W. CLINKARD, *Delegate*.

Sir Desmond MORTON, K.C.B., C.M.G., M.C., *Alternate*.

Netherlands

M. H. C. J. H. GELISSEN, *Delegate*.

M. K. D. M. KONING, *Alternate*.

M. E. A. LIEFRINCK, *Substitute*.

Jhr. R. de WIJKERSLOOTH de WEERDESTIJN, *Substitute*.

Czechoslovakia

H.E. M. Célestin SIMR, Minister Plenipotentiary, *Delegate*.

M. Milos NOVAK, *Alternate*.

M. Jiri KAMENICEK, *Substitute*.

M. Hynek MAJTL, *Substitute*.

Yugoslavia

H.E. M. Milan BARTOS, Minister Plenipotentiary, *Delegate*.

H.E. M. Mladen IVEKOVIC, Minister Plenipotentiary, *Alternate*.

M. Petar BOJANIC, *Substitute*.

M. Svetislav ORLIC, *Substitute*.

M. Petar VUKOBRATOVIC, *Substitute*.

ANNEX VIII
LIST OF COMMITTEES

Title of Committee	Member Countries	Functions of the Committee
Committee on Credentials.	Australia, United Kingdom, Norway, Netherlands, Czechoslovakia.	Examines the credentials of the Delegates and their Alternates and other members of their staffs.
Committee on Finance and Accounts.	Australia, France, United States, Great Britain, Yugoslavia.	Examines the Budget Estimates prepared by the Secretary General and submits a report thereon to the Assembly. Submits recommendations to the Assembly for the appointment of a Board of Audit for each financial year. Examines the reports communicated to it by its Board of Audit and submits recommendations to the Assembly. Submits any observations which it may deem necessary on the financial situation of the Agency. Examines the quarterly reports furnished by the Secretary General on reparation accounting and submits to the Assembly any observations which it may deem necessary concerning the report.
Committee on German External Assets	Belgium, Canada, United States, France, Great Britain.	Deals with questions relating to German external assets referred to it by the Assembly.
Committee of Experts in matters of Enemy Property Custodianship.	Canada, United States, France, United Kingdom, Netherlands, Czechoslovakia.	Submits reports to the Committee on German External Assets. Examines the practical difficulties in matters of law and interpretation which may arise in connection with liquidation, conversion and accounting with respect to German external assets. In particular guards against schemes which might result in effecting fictitious or other transactions designed to favour enemy interests, or to reduce improperly the amount of assets which might be allocated to reparation.
Committee on Shipping.	Australia, Belgium, Canada, Denmark, United States, France, Greece, India, United Kingdom, New Zealand, Norway, Netherlands, Yugoslavia, Egypt.	Makes recommendations to the Assembly concerning the determination of losses suffered and the allocation of the German merchant ships available for distribution as reparation in proportion to the respective overall losses of merchant shipping, on a gross tonnage basis, of the member Governments and their nationals through acts of war.

Title of Committee	Member Countries	Functions of the Committee
Sub-Committee on Losses.	United States, France, United Kingdom, Norway, Netherlands.	Formulates general principles for the determination of losses and establishes the figures of each country's losses.
Sub-Committee on Allocation.	United States, France, United Kingdom, Greece, Norway, Netherlands, Belgium.	Makes recommendations to the Committee on Shipping concerning the allocation of two floating factories and concerning the allocation of merchant shipping.
Committee on Inland Water Transport.	Belgium, France, Luxemburg, Netherlands, Czechoslovakia, Yugoslavia.	Examines all questions relating to inland water transport referred to it by the Assembly. Makes recommendations to the Assembly with regard to the valuation and allocation of inland water transport, in the event that inland water transport becomes available as reparation to the member Governments.
Committee on Industrial and Scientific Property Rights.	Australia, Belgium, Canada, United States, France, United Kingdom, Netherlands, Czechoslovakia.	Examines all questions relating to German patents, models, prints and drawings, trade marks, technical processes and the other industrial and scientific property rights which may be referred to it by the Assembly.
Committee on Authors' Rights.	Australia, Belgium, United States, France, Luxemburg, Netherlands, United Kingdom.	Examines all questions relating to German authors' rights and other German owned artistic and literary property rights which may be referred to it by the Assembly or by the Committee on German External Assets.
Press Committee.	Belgium, United States, France, Norway, United Kingdom, Czechoslovakia.	Considers the broad policy to be pursued by I.A.R.A. in the matter of public information.

ANNEX IX

TABLE OF ALLOCATIONS OF GERMAN MERCHANT SHIPPING

	Recognised losses (gross registered tonnage)	Percentage allocated	Tonnage corresponding to percentage allocated	Allocation made (gross registered tonnage)
United States of America	4,209,000	17.82	135,700	46,925
Australia	44,000	0.19	1,400	1,279
Belgium	313,000	1.33	10,000	11,195
Canada	336,000	1.42	10,700	10,797
Denmark	518,000	2.19	16,400	20,109
Egypt	55,000	0.23	1,700	1,923
France	1,814,000	7.68	57,600	60,162
United Kingdom ...	10,870,000	46.04	345,300	349,619
Greece	1,178,000	4.99	37,300	42,354
India	56,000	0.24	1,800	—
Norway	2,393,000	10.14	76,100	77,618
New Zealand	32,000	0.14	1,100	1,418
Netherlands	1,555,000	6.59	49,400	51,915
Union of South Africa ...	33,000	0.14	1,100	—
Yugoslavia	202,000	0.86	6,500	11,020
	23,608,000	100.00	752,100	686,334

ANNEX X

(a) *Procedure followed by the Allied Control Authorities regarding the Declaration of Industrial Capital Equipment as Available for Allocation as Reparation Assets.*

The rhythm at which the Allied Control Authorities declare industrial capital equipment available for allocation as reparation depends upon the speed with which the different quadripartite bodies concerned can reach a unanimous agreement concerning each individual plant. The Committee on the Level of Industry is responsible for notifying the Economic Directorate that plants are available for reparation, in application of the plan adopted for the level of German peace-time economy. After further discussion the Economic Directorate in turn notifies this decision to the Coordination Committee. When the Coordination Committee has reached agreement, the R.D.R. Directorate is responsible for communicating the list of plants to the Government of the U.S.S.R. on the one hand and to the Inter-Allied Reparation Agency on the other. The list is accompanied by a summary description of each plant. The U.S.S.R. and the Governments which are members of the Inter-Allied Reparation Agency then submit their expressions of interest to the Coordination Committee through the R.D.R. Directorate. The Coordination Committee then makes a definite assignment of plants, after consulting the Economic Directorate.

Once the Coordination Committee has decided that a plant is available for reparation, the R.D.R. Directorate invites the Commander of the Zone in which the plant is situated to have an inventory and detailed valuation made. The valuation is based on the replacement value of 1938, less the amount to be written off for war damage and material depreciation. Each Zone Commander is obliged

to invite the representatives from the three other Zones to participate in the valuing process if they so desire. When valuing has been completed, the valuation is forwarded to the Valuation Committee of the R.D.R. Directorate, and this Committee in its turn submits a recommendation that the valuation be adopted. The intervention of these two authorities is intended to give an opportunity to the different national representatives in the Quadripartite Government to object and criticise if they so desire. This sometimes entails a valuation being sent back for reconsideration to the Zone Commander through the Valuation Committee. This procedure, of which the final stage is a unanimous decision by the R.D.R. Directorate, frequently involves delay in the forwarding of the detailed inventory and valuation, and these documents become available only when several months have elapsed after the Coordination Committee has made its declaration stating that a plant is available as reparation.

When there is final agreement on the valuation, dismantling can begin at once in the case of a plant assigned to the U.S.S.R. In the case of plants assigned to the Inter-Allied Reparation Agency, the receipt of the inventory and valuation is only the signal for a further procedure to be put in hand. For it is not until the inventory is received that the Agency can begin to prepare its allocation programme.

(b) *Procedure followed by the Agency for the Allocation of Industrial Capital Equipment*

As soon as an inventory is received, the Secretariat has it reproduced and distributes copies to the different Delegations, which then have a definite period, usually of sixty days, in which to submit their bids.⁽¹⁾ During this period the Delegations consult the different government departments in their respective countries and also such industrialists as are liable to be interested in the allocation of the plant. In almost all cases national missions of technical experts are despatched to visit plants before bids are submitted.

When the Secretariat is in possession of the list of bids presented by the different Governments, the Secretary-General begins the drafting of a programme of allocation. This first draft is discussed with the Delegates concerned, and in the course of such discussions every effort is made to find a compromise between the requirements of the different Delegations.

The Assembly then proceeds to discuss the Secretary-General's draft programme. As soon as the Assembly has reached a decision on the programme, notification is sent to the Control Council, and the necessary steps are then taken for beginning the dismantling of the plant in question.

⁽¹⁾ This period was fixed at 40-45 days for the examination of the inventories of those 51 factories declared available early in November.

ANNEX XI

(a) LIST OF PLANTS ALLOCATED BY THE AGENCY

Number	A.C.A. Plant No.*	Name and Location of Plant	Nature	Residual value (1938 Reichmarks)
1	4	Grosskraftwerke Mannheim A.G.	Power station, under-ground.	4,094,760
2	6	Fritz Mueller, Esslingen-Neckar.	Machine-tool manufac-ture.	2,103,979
3	7	Boehner & Kohle, Esslingen-Neckar.	Machine-tool manufac-ture.	246,303
4	11	Hastedt Elektrizitaetswerk A.G., Bremen.	Power station ...	1,880,396
5	1001	Waldrich G.m.b.H., Siegen.	Machine-tool manufac-ture.	2,408,988
6	1002	Schiess A.G. ...	Machine-tool manufac-ture.	3,379,110
7	1003	Wagner & Co., Dortmund.	Machine-tool manufac-ture.	1,853,900
8	1007	Haniel & Lueg, Dusseldorf-Fingen.	Steelworks, foundry forge, manufacture of oil well drilling equipment.	10,022,748
9	1010	Kurbelwellenwerke G. m. b. H., near Hamburg.	Manufacture of crankshafts.	6,921,956
10	1011	Metallwerke G.m.b.H. Neuengamme, near Hamburg.	Small arms manufac-ture.	1,507,350
11	1012	Hanseatisches Kettenwerk G. m. b. H. Hamburg - Langenhorn.	Munition manufac-ture.	3,281,200
12	2	Bayerische Motorenwerke No. 1 Munich-Mulbertshofen.	Testing and produc-tion of aero-engines.	11,035,523
13	5	Kloeckner-Humboldt-Deutz Oberursel.	Diesel engine manufac-ture. Aero-engine experimental and research work.	4,497,304
14	9	Hans Hensoldt und Soehne, Herborn-Dillkreiss.	Manufacture of lenses and optical instru-ments.	344,802
15	12†	Toeing A. G. Innenwerk Toeing/Inn.	Hydroelectric power station.	403,721
16	14	Bayerische Motorenwerke N o. 2 Munich-Allach.	Aero-engine research and manufacture.	16,104,228
17	17	Carl F. W. Borgward Bremen-Sebalds-bueck.	Torpedo factory ...	686,230
18	19	Index Werke Hahn & Tessky Esslingen.	Manufacture of special machine-tools.	1,487,318
19	21	Fabrik Aschau Aschau-Muehldorf.	Explosives manufac-ture.	2,713,460
20	23†	Heeresmunitions-anstalt, Strass bei Gunzburg.	Munitions ...	9,170

* Plants indicated by A.C.A. numbers 1 to 999 are situated in the U.S. Zone.
 Plants indicated by A.C.A. numbers 1,000 to 1,999 are situated in the British Zone.

Plants indicated by A.C.A. numbers above 1,999 are situated in the French Zone.

† This factory remains unallocated, no bids for it having been received.

Number	A.C.A. Plant No.*	Name and Location of Plant	Nature	Residual value (1938 Reichmarks)
21	24	Deutsche Spreng- chemie Geretsried- Wolfratshausen.	Shell loading ...	2,490,242
22	25	Munitions Plant Desching.	Munitions ...	275,159
23	1014	Norddeutsche Dornierwerke G.m.b.H. No. 2 Luebeck.	Wings and tail units for aircraft.	211,075
24	1016	Richard Rinker, Men- den, Kr. Islerlohn.	Metal smelting and founding.	972,828
25	1025	Heeresmunitionsamt Ahrbergen.	Loading of shells and hand grenades.	842,992
26	1026	Hans Moog Wuppertal Ronsdorf.	Pyrotechnical manu- facture.	20,366
27	1028	Marine Sperrwaffen- arsenal Soltau.	Armaments ...	68,674
28	1029	Heeresmunitions- anstalt Lehre.	Shell loading ...	519,457
29	1032	Heeresmunitions- anstalt Lockstedter- Lager.	Shell loading ...	146,085
30	1033	Heeresmunitions- anstalt Bodenteich.	Shell loading ...	154,289
31	1034	Fuellanstalt Clauen	Shell loading ...	166,756
32	1037	Heeresmunitions- anstalt Scheuen.	Shell loading ...	31,174
33	1040	Stuhlhrohfabrik von Rudolf Sieverts, Hamburg-Bergedorf.	Metal chair manufac- ture.	41,631

* Plants indicated by A.C.A. numbers 1 to 999 are situated in the U.S. Zone.
Plants indicated by A.C.A. numbers 1,000 to 1,999 are situated in the British Zone.
Plants indicated by A.C.A. numbers above 1,999 are situated in the French Zone.

(b) LIST OF PLANTS IN COURSE OF ALLOCATION (INVENTORIES RECEIVED)

Number	A.C.A. Plant No.	Name and Location	Nature	Residual Value (1938 Reichsmarks)
34	1	Kugelfischer, G. Schaefer & Co., Schweinfurt	Manufacture of anti- friction bearings.	7,647,128
35	15	Fabrik Hess Lichtenau, Fuerstenhagen.	Chemical manufacture ...	7,192,997
36	18	Norddeutsche Huette A.G., Bremen.	Metallurgical works ...	4,823,278
37	20	Fabrik Kaufbeuren, Kauf- beuren.	Chemical manufacture ...	985,806
38	22	Fabrik Ebenhausen, Eben- hausen.		3,069,542
39	1015	Norddeutsche Dornierwerke, Luebeck.	Production of aircraft parts.	200,261
40	1023	Waaren Commissions A.G., DragahnDannenbergElbe.	Explosives manufacture	2,255,223
41	1027	Glaswerk Ridel, Burgdorf	Glassworks	59,780
42	1030	Heeresmunitionsanstalt, Grasleben Helmstadt.	Munitions manufacture	
43	1031	Lufthauptmunitionsanstalt, Hambueren/Hanover.	Munitions manufacture	961,690

Number	A.C.A. Plant No.	Name and Location	Nature	Residual Value (1938) Reichsmarks
44	1035	Heeresmunitionsanstalt, Godenau/Alfeld.	Munitions manufacture	419,512
45	1036	Lufthaupmunitionsan- stalt,-Nienburg-Langen- damm.	Munitions manufacture	1,295,837
46	1039	Chemischewerke Marzweser, Langelsheim.	Chemical manufacture ...	1,366,079
47	2002	Aluminiumwerke Tscheulin, Teningen/Baden.	Manufacture of aluminium wares.	1,030,678
48	2009	Robert Bosch, G.m.b.H, Sulz.	Electrical and mechanical equipment.	181,511
49	2010	Sueddeutsche Dornierwerke, Manzell Friedrichshafen.	Production of aircraft parts.	41,841
50	2011	Sueddeutsche Dornierwerke, Constanz.	Production of aircraft parts.	51,165
51	2013	Sueddeutsche Arguswerke, Baden-Baden.	Production of Aircraft parts.	127,400
52	2016	Sueddeutsche Arguswerke, Pfullendorf.	Production of aircraft parts.	75,070
53	2017	Stahlwerke, Reutlingen ...	Steelworks ...	35,455
54	32	Westfaelische Anhaltische Sprengstoff A.G. und G.m.b.H. zur Verwertung chemischer Erzeugnisse, Allendorf.	Explosives Factory ...	16,947,008
55	36	Betrieb Eschenstruth der Fabrik Hess-Lichtenau der G.m.b.H. zur Ver- wertung Chemischer Er- zeugnisse, Eschenstruth.	Production of tools for processing and loading high explosives.	849,680
56	38	Deutsche Sprengchemie, Kraiburg/Inn.	Chemical factory (Mainly power station and steam plant).	5,340,047
57	39	Pulverfabrik Hasloch-am- Main G.m.b.H. Hasloch a/Main.	Chemical factory (nitro- cellulose powder).	176,215
58	40	Gustav Genschow & Co.A.G. Karlsruhe-Durlach (Werk Wolfartsweier).	Machine shop of ammu- nition plant.	44,024
59	42	Dynamit A.G. Landsberg/ Lech.	Manufacture of paper casings for armaments.	39,479
60	45	Fritz Sauer, Gersthofen ...	Manufacture of pyrotech- nical products.	22,114
61	47	Paraxolwerk G.m.b.H. Schroebenhausen Obb.	Chemical factory ...	936,990
62	48	Heeresmunitionsanstalt, Lechfeld (Schwanstadel).	Pumping station of a shell loading plant.	9,495
63	49	H.M.A. Wildflecken, Wild- flecken.	Cartridge Plant... ...	151,458
64	52	H.M.A. Kleinkoetz, Klein- koetz nr. Guenzburg.	Generator, transformer and pumping station of a shell loading plant.	5,162
65	53	Munitionsanstalt Weicher- ing, Weichering.	1 Diesel locomotive and 1 pump.	16,006
66	54	Deutsche Waffen & Muni- tionsfabriken A.G. Karls- ruhe.	These are largely single purpose machines such as stamping machines, punching and drill presses, formerly used in the manufacture of cartridges and now pro- ducing metal buttons, thimbles, cases for cig- arette lighters, etc.	200,988

Number	A.C.A. Plant No.	Name and Location	Nature	Residual Value (1938) Reichsmarks
67	56	Luftmunitionsanstalt, Oberdachstetten (Kr. Ansbach).	Ammunition Depot ...	79,585
68	58	Behm & Co. K.G. Burg- farrnbach.	Sheet metal elements for central heating.	142,876
69	60	Collis Metallwerke G.m.b.H. Nordlingen.	Manufacture of shell cases.	5,314,687
70	61	Dornierwerk G.m.b.H. Oberpfaffenhofen, Land- kreis Starnberg.	Aircraft industry ...	40,668
71	62	Dornierwerke G.m.b.H. Neuaubing (Munich).	Aircraft industry ...	132,328
72	63	Dornierwerke G.m.b.H. Neuaubing (Munich).	Aircraft industry ...	403,175
73	66	Dampfsaegewerk (R.u.H. Reinert) Murnau.	Production of wooden and metal aircraft parts.	55,104
74	68	Dornierwerke G.m.b.H. Munich-Neuaubing.	Aircraft industry (chiefly fuselages and wings).	142,567
75	69	Dornierwerke G.m.b.H. Weilheim Obb.	Aircraft industry ...	76,447
76	71	Kelheimer Parkettfabrik A.G. Kelheim.	A store of machines used in the manufacture of parts for aircraft in- dustry.	77,017
77	72	Strassenmeisterei Siegsdorf (Dornierwerke) Siegsdorf.	A store of machines used in the manufacture of parts for aircraft in- dustry.	32,232
78	73	Dornierwerke G.m.b.H. Weilheim (Wehoba).	Production of aircraft parts.	67,067
79	74V	Dornierwerke G.m.b.H. Weilheim.	Production of aircraft parts.	175,883
80	76	Maschinenfabrik A. Schlueter, Freising nr. Munich.	Production of aircraft parts.	26,881
81	77	Dornierwerke G.m.b.H. Weilheim (Bad Toelz) Kaltenmooserstr.	Production of aircraft parts.	9,119
82	78	Hoerndlwerke, Etterschlag	Production of trailers ...	47,838
83	79	Dornierwerke G.m.b.H. Weilheim (Unterthingau)	Production of aircraft parts.	12,159
84	81	Messerschmitt G.m.b.H. Eschenlohe.	Aircraft fuselages, wings and accessories.	1,028,843
85	104	Paraxol G.m.b.H. Lippolds- berg, Kr. Hofgeismar.	Chemical factory (see No. 47).	565,703
86	105	Continental - Metall A.G. Langenaubach (Dillkreis)	Production of propellor hubs.	562,287
87	106	Henschel Flugmotorenbau G.m.b.H., Altenbauna, nr. Kassel.	Production of aircraft engines.	2,009,115
88	107	Henschel Flugmotorenbau G.m.b.H. i.L. Kassel Ziegenhain.	Production of spare parts for aero-engines.	1,776,660
89	114	Junkers Flugzeug - und Motorenwerke A.G., Kas- sel-Bettenhausen.	Production of spare parts for aero-engines.	1,313,530
90	1044	V.D.M. Halbzeugwerke G.m.b.H., Leverkusen- Kueppersteg.	Detonator factory ...	14,917
91	1050	Munitionsanstalt, Lengern, Hannover.	Storage, packing and de- spatching of aero-am- munition.	107,914
92	1055	Blohm & Voss, Hamburg/ Steinwaerder.	Production of aircraft spare parts.	286,449

Number	A.C.A. Plant No.	Name and Location	Nature	Residual Value (1938) Reichsmarks
93	1058	Blohm & Voss, Hamburg/ Sooninstr :	Collection of various lathes and other machines which do not constitute a self-contained pro- ductive unit.	70,057
94	1060	Blohm & Voss, Hamburg/ Altona-Bahrenfeld.	Production of aircraft parts.	72,409
95	1084	Wiking Werkstaetten G.m.b.H., Flensburg Neustadt.	Production of main and tail planes for aircraft.	15,267
96	1097	Baehre & Graten, Springe, nr. Hannover.	During the war the pro- duction included air- craft fuselages and wings. At present metal work for furni- ture is produced.	96,137
97	1109	Ludwig Hauser & Co., Muenster.	During the war aircraft repairs. Now most of the machinery is sold.	172,100
98	1119	Brinker Eisenwerke, Plant III. Max Müller G.m.b.H. Langenhagen, Hannover.	Repair and assembly of aircraft.	118,265
99	1138	Oskar Schneider & Co., G.m.b.H. Leichlingen, Rheinland.	Machinery manufacture and repair.	43,615
100	1149	Engelhardt & Foerster Hohenaspergen, Han- nover.	At present repair of laun- dry machinery.	51,278
101	1159	Wittener Maschinenbau G.m.b.H., Witten-Ruhr (Westf.).	Manufacture of shells ...	398,649
102	1187	Friedr. Meyer und Soehne Luetjenburg, Schleswig- Holstein.	At present repair of agri- cultural machinery.	21,139
103	2020	Luftschiffbau Zeppelin G.m.b.H. Friedrichshafen	Before the war manufac- ture of parts for separa- tors and modern dairy equipment, vats for breweries and for food products, all the above in aluminium.	177,655
104	2026	Maybach Motorenbau G.m.b.H. Friedrichshafen	Before the war: cars, motors for lorries and for cars.	1,500,335
			Total Value ... R.M.	73,796,876

(c) LIST OF PLANTS AWAITING ALLOCATION

(INVENTORIES NOT RECEIVED)

No.	A.C.A. Plant No.	Name and Location
105	1004	Bloehm & Voss, Hamburg.
106	1017	Metallwerke Wolfenbuettel G.m.b.H., Wolfenbuettel.
107	1018	Wolf & Co., Factory "A", Boemlitz.
108	1019	Wolf & Co., Factory "B", Doevertzen.
109	1020	Wolf & Co., Factory "C", Liebenau.
110	1021	Dynamit A.G., Dueneberg.
111	1022	Dynamit A.G., Krummel.
112	1024	Clausthal, Zellerfield.
113	1041	Norddeutsche Dornierwerke Factory No. 7, Sirksrade.
114	2001	Rheinische Chamotte Dinaswerke, Bendorf-am-Rhein.
115	2003	Maschinenfabrik Fahr A.G., Gottmadingen.
116	2004	Maschinenfabrik Gebr. Krammer, Gottmadingen.
117	2005	Mauser & Co., Oberndorf.
118	2006	Mauser & Co., Vohringen.
119	2007	I.G. Farbenindustrie A.G., Rheinfelden.
120	2012	Obering O. Stehlmann, Manzell.
121	2014	Sueddeutsche Arguswerke, Duesslingen.
122	2015	Sueddeutsche Arguswerke, Bronbach.

ANNEX XII

TABLE OF DISTRIBUTION BY COUNTRIES OF REPARATION IN 1946

Country	Ships	Allocation of Capital Equipment			Total Residual values by Countries
		First	Second	Supplementary	
United Kingdom	6,353,200	RM. 2,803,622	RM. 1,611,602	—	RM. 4,415,224
France ...	1,817,700	8,631,236	7,589,966	—	16,221,202
United States ...	831,500	—	224,087	—	224,087
Yugoslavia ...	47,500	7,634,798	8,197,891	1,085,204	16,917,893
Netherlands ...	604,700	2,326,421	981,364	—	3,307,785
Belgium ...	181,400	246,303	2,060,272	463,221	2,769,796
Greece ...	439,900	2,402,727	1,294,864	363,749	4,001,340
Czechoslovakia ...	—	5,723,703	3,627,913	238,447	9,590,063
India ...	—	1,495,800	933,166	—	2,428,966
Norway ...	1,205,800	209,673	398,854	—	608,527
Canada ...	259,500	—	—	—	—
Australia ...	27,000	1,836,599	847,300	—	2,683,899
New Zealand ...	46,500	—	74,766	—	74,766
Luxemburg ...	—	—	274,497	—	274,497
Albania ...	—	361,230	208,849	30,968	601,047
Denmark ...	163,200	120,139	89,458	—	209,597
Egypt ...	49,500	—	—	—	—
South Africa ...	—	—	—	—	—
Total ...	12,027,400	33,792,251	28,414,849	2,181,589	64,388,689

Note.—All values given above are provisional and may be subject to modification.

INTER ALLIED REPARATION
AGENCY

RULES OF ACCOUNTING FOR
GERMAN EXTERNAL ASSETS

as approved by the Assembly of I. A. R. A.
These rules supersede those given in Annex VI
of the Report of the Secretary General for
the year 1947.

RULES OF ACCOUNTING FOR GERMAN EXTERNAL ASSETS

Approved by the Assembly on 21 November, 1947

PART I

1. The term "Germany" means the territory within the boundaries of that country as of 31 December, 1937.
2. The term "assets" means all property, whether movable or immovable, and any right, title or interest in property. (See paragraph 9 of the Report of the Committee on German External Assets, dated 18 November, 1947).
3. The term "seizure" (or "seized") means placing under custody, sequestration, blocking, vesting or confiscation because of a German interest.
4. The seizure of assets by a Signatory Government shall not be deemed to have relieved the Signatory Government from the obligation to account for such assets, or in the case of liquidation or sale of seized assets, for the proceeds from such assets.

PART II

5. Subject to the other Parts of these Rules, and in conformity with Article 1F (Part I) of the Paris Reparation Agreement, each Signatory Government shall be charged with the estimated value of the assets, referred to in A and B below, which were within its jurisdiction on the 24 January, 1946, and any income from such assets derived by the Signatory Government before or after that date. Each Signatory Government's estimate shall be made on the following basis:

- (1) Assets which have not been sold or liquidated as of the reporting date shall be estimated on the basis of values current on the reporting date. Any income from such assets shall be accounted for.
- (2) If assets have been sold or liquidated by the Signatory Government before or after the 24 January, 1946, but prior to the reporting date, the Signatory Government shall report the proceeds from the sale or liquidation of such assets. Any income from such assets prior to their sale or liquidation shall be accounted for.

- (3) Assets seized in the form of monies or bank accounts shall be accounted for together with any income from such assets until invested or reinvested or paid into the public treasury.
- (4) When proceeds from assets sold or liquidated or assets in the form of monies or bank accounts or any income are invested or paid into the public treasury, such proceeds, assets and income shall only be accounted for on the basis of the amount invested or paid into the public treasury as of the date of such investment or payment.

A. Assets which on 24 January, 1946 were owned (or but for their seizure would have been owned) directly or indirectly by:

1. The German State, Government, municipal and other public authorities and organisations, and the German Nazi Party.
2. Any individual who had German nationality on 24 January, 1946 and who on that date was physically inside Germany or had his residence in Germany.
3. Any individual who, as a German national, has been compulsorily repatriated to Germany after 24 January, 1946, or is intended to be compulsorily repatriated to Germany.
4. Any body of persons, corporate or unincorporate, organised in and under the laws of Germany.

B. Assets, other than those mentioned in A, which as of the reporting date (i) have been seized and (ii) have not been released and (iii) are not intended to be released in cases in which:

1. Such assets were on 24 January, 1946 owned (or but for their seizure would have been owned) directly or indirectly by: --
 - a) any individual who had German nationality at any time between the date on which the country of the Signatory Government was occupied or annexed by or entered into war against Germany, and 24 January, 1946.
 - b) any body of persons, whether corporate or unincorporate, in which there has been a German interest at any time between the date on which the country of the Signatory Government was occupied or annexed by or entered into war against Germany and 24 January, 1946.
2. Such assets were owned (or but for their seizure would have been owned) directly or indirectly by any individual of German nationality who died before 24 January, 1946.

PART III

6. A Signatory Government shall be entitled to exclude, from the charge to be made under Part II, assets within the following categories if such assets (i) have not been seized, or (ii) have been released, or (iii) will be released.

- A. Patents disposed of or dealt with on the basis of the London Patent Accord of 27 July, 1946, and trademarks, designs and literary and artistic property; provided however that any income or proceeds from all such assets shall be included.
- B. Household goods and limited personal effects which individuals repatriated to Germany are permitted to take with them, and maintenance allowances necessary for the support of such individuals, pending repatriation.
- C. Household goods and limited personal effects of diplomatic and consular officials of the German Governments.
- D. Assets belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes.
- E. Assets of any individual of German nationality who voluntarily entered Germany at the invitation of, and to assist any of the Allied Governments, and whose case merits favourable consideration.
- F. Assets of any individual of German nationality:
 - (1) who was deprived of liberty pursuant to any German law, decree or regulation discriminating against religious or racial groups or other organisations, and
 - (2) who did not enjoy full rights of German citizenship at any time between 1 September, 1939 and the abrogation of such law, decree or regulation, and
 - (3) who has left Germany (or if he has not left Germany at the final accounting under the Paris Agreement, it is proved that he intends to leave Germany within a reasonable time thereafter) to establish his permanent residence outside Germany, and
 - (4) who it is proved did not act against the Allied cause during the war, and
 - (5) whose case merits favourable consideration.
- G. Assets of any individual of German nationality:
 - (1) who is also a national, or was formerly a national of a I.A.R.A. country, and
 - (2) who was formerly a resident of that country, and
 - (3) who has left Germany (or if he has not left Germany at the final accounting under the Paris Agreement, it is proved that he intends to leave Germany within a reasonable time thereafter) to establish his permanent residence in that I.A.R.A. country, and

- (4) who it is proved was loyal to the Allied cause during the war, and
 - (5) whose case merits favourable consideration.
- H. Assets which would provide little or not net value because of the costs involved in their seizure, administration or sale.
- I. Assets in a Signatory country owned by any body of persons organised under the laws of another country, other than Germany, in which body the German interest is not a controlling interest.
- J. Assets in a Signatory country owned by any body of persons, organised under the laws of Germany, in which body there are non-German interests, to the extent that such assets proportionate to the non-German interests in the body are released to such non-German interests.
- K. Any other direct or indirect non-German interest in assets which interest has not been seized or which has been or will be released to such non-German interest.

PART IV

- A Signatory Government shall exclude, from the charge to be made under Part II, any assets within its jurisdiction which an individual on the 24 January, 1946 directly or indirectly owned (or, but for the placing under custody, sequestration, blocking, vesting or confiscation of the assets, he would have owned) if the individual, at the time of the occupation or annexation by Germany of territory of the country in which he was residing, or at the time at which that country entered into war, was:
 - a) a national of that country, and
 - b) not a national of Germany, and
 - c) did not acquire German nationality by marriage, provided that this provision shall not affect the applicability of Rule 6 G.

PART V

S. Subject to Rule 9,

- A. A Signatory Government shall exclude, from the charge to be made under Part II, assets within its jurisdiction on 24 January, 1946, which, because of an agreement or arrangement with another Government to avoid or resolve a conflict of jurisdiction (i) have not been seized and will not be seized or have been released or will be released or (ii) have been used or will be used to indemnify non-enemy interests.

- B. A Signatory Government may deduct, from the charge to be made under Part II, any reimbursement which that Government has paid or will pay in connection with the non-seizure or release of assets referred to in paragraph A.
 - C. A Signatory Government shall include, in the charge to be made under Part II, any reimbursement which that Government has received, or will receive in connection with the non-seizure or release of assets referred to in paragraph A.
9. Where adjustments referred to in Rule 8 concern assets which have been seized and not yet released but will be released, and
- A. The Governments directly concerned are Signatory Governments such adjustments may not be made by a Signatory Government unless the following conditions apply:
 1. The Signatory Government has informed the Secretary General and any other Signatory Government directly concerned,
 2. The Signatory Governments directly concerned have agreed as to the deductions and inclusions to be made in the accounts of those Signatory Governments.
 - B. Where one of the Governments directly concerned is not a Signatory Government, such adjustments may not be made by the Signatory Government, without the prior approval of the Secretary General of I.A.R.A. The decision of the Secretary General shall be subject to review by the Assembly within three months.

PART VI

10. For the purpose of this Part VI the term "material date" means the date of invasion or annexation, whichever was the earlier, by Germany of territory of the Signatory Government.
11. A Signatory Government shall be entitled to exclude, from the charge to be made under Part II, assets which were acquired after the material date by the German State or Government or by any individual or body described in Rule 5.
12. A Signatory Government shall, however, be charged for,
- a) assets acquired after the material date by inheritance, and
 - b) except in cases described in (c) and (d), any consideration paid for any assets acquired after the material date, and
 - c) any assets which were brought into or created within the jurisdiction of the Signatory Government after the material date by the German State or Government or by any individual or body described in Rule 5, and

- d) any assets acquired after the material date from a person who at that time was not a resident of a country which had been invaded or annexed by Germany.
13. A Signatory Government shall be entitled to exclude, from the charge to be made under Rule 12 (b), the consideration referred to in Rule 12 (b) to the extent that such consideration was paid:
- a) in reichsmarks, or
 - b) in currency issued in the territory of the Signatory Government and obtained after the material date for occupation costs or for reichsmarks, or
 - c) in any other counter-value which was obtained after the material date directly or indirectly either in exchange for (a) or (b) or for no consideration except where acquired by inheritance.
14. A Signatory Government shall be entitled to exclude, from the charge to be made under Rule 12 (c), assets referred to in Rule 12 (c) to the extent that such assets were acquired in an occupied or annexed country.
- a) for no consideration, or
 - b) for reichsmarks, or
 - c) for currency issued in the territory of that occupied or annexed country and obtained after the material date for occupation costs or for reichsmarks, or
 - d) for any other counter-value which was obtained after the material date directly or indirectly either in exchange for (b) or (c) or for no consideration except where acquired by inheritance.
15. A Signatory Government shall be entitled to exclude, from the charge to be made under Rule 12 (d), assets referred to in Rule 12 (d) to the extent that such assets were acquired:
- a) for currency issued in the territory of an occupied or annexed country and obtained after the material date for occupation costs or for reichsmarks, or
 - b) for any other counter-value which was obtained after the material date directly or indirectly either in exchange for (a) or for no consideration except where acquired by inheritance.

PART VII

16. A Signatory Government may deduct from the value of the assets to be charged any sum which it has paid or intends to pay in the following categories:

- A. Taxes accrued before the reporting date with respect to assets to be reported.
- B. Liens.

- C. Expenses of administration incurred before the reporting date with respect to assets to be reported.
 - D. In rem charges against specific items.
 - E. Unsecured legitimate contract claims against the German former owner of assets.
17. With respect to items "A", "B", "D" and "E" of Rule 16, a Signatory Government may deduct only to the extent of the value of the particular German owner's specific assets which are to be charged.
18. In addition, with respect to item "E" of Rule 16, unsecured contract claims may be deducted only (a) if paid or to be paid in accordance with the laws or administrative rules of the Signatory Government in force on the reporting date and (b) in respect of which all of the three following provisions apply, namely, that the claims are:-

1. Those of nationals or bodies of persons organised under the laws of the country within whose jurisdiction the assets are situated, or the Government of that country, or to individuals who are and were resident in that country as of its entry into war.
2. Filed with the Signatory Government before 24 January, 1949, or filed within two years after the vesting, sequestration or confiscation of the German assets involved.
3. In respect of contracts with the German former owner of the assets in the Signatory country, entered into before 9 May, 1945, by or on behalf of an individual who was resident in, or by or on behalf of a body of persons which was organised under the laws of, the Signatory country, at the time when the contract was entered into.

PART VIII

19. A Signatory Government shall be entitled to exclude, from the charge to be made under Part II, 50% of the net value of:
- A. Assets which on the reporting date are under judicial proceedings the outcome of which will determine whether the assets are subject to Part II;
 - B. Assets which the Signatory Government and the Secretary General of I. A. R. A. agree:
 1. involve special circumstances, and
 2. may reasonably be expected to come under judicial proceedings the outcome of which would determine whether the assets are subject to Part II. The decision of the Secretary General shall be subject to review by the Assembly within three months.

INTER ALLIED REPARATION AGENCY

Report
of the Secretary General
for the year
1947

"... the over-industrialisation of Germany for military purposes has created conditions in which, despite destruction and the exceptional wear-and-tear of war, there remains an industrial potential which in any case, and no matter what the outcome of present controversies may be, is vastly superior to the requirements of a peace-time economy."

Declaration of the President of the Agency before the Foreign Ministers' Deputies, Moscow, 29 March 1947.

INTER ALLIED REPARATION AGENCY

REPORT
OF THE SECRETARY GENERAL
1948

INTER ALLIED REPARATION AGENCY

REPORT OF THE SECRETARY GENERAL FOR THE YEAR 1948

"... industrial capital equipment so far made available, despite the inadequacy of its amount, is making a substantial contribution to the rehabilitation of the economies of Member Governments which suffered from German aggression, . . . experience has shown that such equipment when removed from Germany can quickly be established as a part of the productive equipment of these countries and . . . equipment which is vital to the recovery of Europe can be secured, within a reasonable time and without the expenditure of dollars, only by the removal of surplus capital equipment in Germany."

*Resolution of the Assembly addressed to
the Occupying Powers, 18 February, 1948.*

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The Inter Allied Reparation Agency was established by the Paris Agreement of January, 1946. Its function is to ensure an equitable distribution, in accordance with the provisions of the Paris Agreement, of the total assets which are or may be declared available as reparation from Germany, among the nineteen Member Nations entitled to reparation to compensate in some measure for the loss and suffering caused by Germany.

The chief forms of reparation made available to date are:

Industrial Capital Equipment
German External Assets
Merchant Shipping
Captured Enemy Supplies.

I.A.R.A. consists of an Assembly comprising a representative of each of the nineteen Signatory Governments, and an international Secretariat.

The nineteen Signatory Governments are as follows:

Albania	India
Australia	Luxemburg
Belgium	Norway
Canada	New Zealand
Denmark	Pakistan *
Egypt	The Netherlands
United States	Czechoslovakia
France	Union of South Africa
United Kingdom	Yugoslavia
Greece	

* Pakistan was admitted to membership of I.A.R.A. on 15 March, 1948.

SUMMARY

At the beginning of 1948, the Inter Allied Reparation Agency felt it had good reason to believe that the release of German industrial capital equipment for allocation among its Member Governments would at last be speeded up by the Occupying Authorities. While the allocation of all such assets by January 1948, as anticipated in the Potsdam Declaration (⁽¹⁾) was no longer possible, it was hoped that substantial numbers of the 858 plants listed by the Western Zone Commanders in October 1947 would quickly be made available for distribution under the new expeditious procedure adopted by the Assembly of the Inter Allied Reparation Agency.

But these hopes proved largely illusory. Pressure against the further dismantling of German plants was exerted from many quarters during 1948. The requirements of the European Recovery Programme were made a basis for attacks on the agreed reparation policy, although the majority of Member Governments of the Inter Allied Reparation Agency, indeed, including some of the major war sufferers, are not beneficiaries under the European Recovery Programme at all, whereas E.R.P. was planned to include five States which had remained neutral during the war and three ex-enemies (Western Germany, Austria and Italy). Dismantling was attacked (and defended) in Congress and the House of Commons. Interested circles in Germany developed a systematic campaign against dismantling. German officials became unco-operative; industrialists, managements and workers showed reluctance to obey Allied orders in respect of dismantling; and strikes were engineered and made effective. Despite the firmness of the official Allied position, German action prevented or postponed the dismantling of several important plants.

The policy of taking reparation from Germany continued to be one of the major points of difference between the Occupying Powers; the quadripartite control machinery ceased to function in regard to reparations; the first allocation in 1948 to the Inter Allied Reparation Agency did not occur until July; and only 157 plants and part-plants were made available as reparation from the Western Zones during the entire year.

During the year the Agency, on several occasions, expressed to the Governments of the Western Occupying Powers its dissatisfaction with the rate at which plants were being made available for allocation by the Assembly; and pointed out that this hindered

⁽¹⁾ Annex I

a fair distribution of the available assets, and prevented countries from securing the speedy economic benefits which these plants had been expected to afford.

The Assembly, during 1948, approved the allocation of 158 plants or part-plants, valued at 140 million Reichsmarks by the Occupation Authorities, bringing the cumulative total since the foundation of the Agency in January 1946 to 354 plants and part-plants valued at 387 million Reichsmarks⁽¹⁾.

The first delivery of Soviet reciprocal deliveries, due in exchange for industrial capital equipment handed over to the U.S.S.R. from the Western Zones, was completed during the year. A second allocation was approved in May 1948, but arrangements for its delivery had failed to materialise up to 31 December⁽²⁾.

Almost the whole of the German merchant fleet had been allocated during 1946, and in 1948 only one sea-going ship and two partially completed and bomb-damaged vessels were distributed as reparations⁽³⁾.

Progress towards the final settlement of claims against neutral countries as regards German External Assets was not satisfactory. Neither Switzerland⁽⁴⁾ nor Sweden⁽⁵⁾ made available to the Agency for distribution among its Member Governments the funds which the Agency had expected would be put freely at its disposal as a result of agreements concluded in 1946. The Agency took such action as was possible to assist Member Governments to realise their claims in these countries⁽⁶⁾. An accord with Spain⁽⁷⁾ was signed during May, and a sum of 80 million pesetas already made available under this Accord has been allocated to the Agency. The Agency also urged prompt action in the case of German external assets in Portugal.

A difficult problem relating to the balancing of accounts, which the Agency had to face during 1948 was caused by uncertainty on the subject of the probable total pool of reparations; in the light of information available to the Agency, it became apparent that certain Member Governments were already overdrawn on their percentage shares as laid down in the Paris Agreement⁽⁸⁾; measures were adopted aimed at preventing the situation from further deteriorating. It was thought probable, however, that the issue involved could not be finally settled within the Agency, and that the Governments concerned, having regard to the provisions of the Paris Agreement on Reparations, would eventually have to be called upon to devise a satisfactory solution to this problem.

⁽¹⁾ Annexes V, VI and XVI, ⁽²⁾ Annex VII, ⁽³⁾ Annex VIII, ⁽⁴⁾ Annex IX,
⁽⁵⁾ Annex XI, ⁽⁶⁾ Annexes X and XII, ⁽⁷⁾ Annex XIII, ⁽⁸⁾ Annex II

PART ONE

GERMAN INDUSTRIAL REPARATION IN 1948

The Outlook at the beginning of 1948

The importance attached to speed in carrying out the Reparation Programme had been clearly indicated in Part IV of the Potsdam Declaration (1) in August 1946:—

- “5. The amount of equipment to be removed from the Western Zones on account of reparation must be determined within six months from now at the latest.
- 6. Removals of Industrial Capital Equipment shall begin as soon as possible and shall be completed within two years from the termination specified in paragraph 5.”

The intention had then been that the reparation programme should be completed by the end of January 1948.

Throughout 1946 and 1947 it became increasingly clear that it would be impossible to keep to this time-table. In April 1947, the Council of Foreign Ministers in Moscow decided that the final allocation of German war plants should be completed at the latest by June 1948. Unfortunately they failed to find common ground in their debates on the reparation issue which proved one of the major stumbling blocks of the wider negotiations on the future of Germany. One of the consequences of this disagreement between the Allies was to hold up the allocation to I. A. R. A. of all but 250 of its share of the estimated total of more than 1,600 plants which would have been due for allocation to I. A. R. A. and the U. S. S. R. on the basis of the level of industry agreed upon by the Occupying Powers.

During the latter part of 1947, however, the future as regards reparation began to look more promising. During October of that year, representatives of the United States and United Kingdom Zone Commanders provided the Agency with a list of 682 plants declared surplus to the requirements of the Anglo-American revised level of industry plan of June 1947 (2), and assured the Agency that: “ . . . the list is complete and is attached hereto. This list is still subject to amendment. The adjustments, if any, will, however, be only of local character and you can be assured that no major modification will be made, and that substitutions will be of an equivalent capacity and value. Such minor changes

(1) Annex I

(2) Annex III

in the list will not affect the total value of plants on the reparation list and they will be notified to you as soon as possible as we are anxious that the work of allocating reparations should not be retarded through uncertainty as to the precise plant to be made available . . . With the publication of the accompanying list, we hope that the uncertainties which surround the question of reparations will be removed". At the same time the French Zone Commander provided the Agency with a provisional list of 176 plants in the French Zone to be made available as reparation (¹).

The following month, at a meeting of the Assembly of I.A.R.A., representatives of the French and British Zone Commanders renewed the assurances of their intention to complete the reparation programme with the utmost rapidity, and invited the Agency to investigate the possibilities of speeding-up its own allocation procedure accordingly. The Agency set to work immediately to revise its procedures, so as to be able to deal with the new allocations as speedily as possible.

Allocation of Plants to I.A.R.A. during 1948

Despite the promises of the Western Zone Commanders at the end of 1947 that industrial capital equipment from Germany would rapidly be made available as reparation to Member Governments of I.A.R.A., no additional allocations had been made to the Agency by the middle of February 1948. As this continued delay was becoming an embarrassment to the work of the Agency, the Assembly passed a Resolution on 18 February, which, after recalling the provisions of the Potsdam Declaration and the small number of plants which had so far been made available for allocation, noted:

"that such industrial capital equipment so far made available, despite the inadequacy of its amount, is making a substantial contribution to the rehabilitation of the economies of Member Governments which suffered from German aggression, that experience has shown that such equipment when removed from Germany can quickly be established as a part of the productive equipment of these countries and that such equipment which is vital to the recovery of Europe can be secured, within a reasonable time and without the expenditure of dollars, only by the removal of surplus capital equipment in Germany."

(¹) By 31 December 1948 adjustments to these lists brought the total number of plants available for reparation in the three Western Zones to 870.

and resolved

"to charge the President to bring the above facts to the attention of the Governments of the powers occupying Germany and to request the Governments concerned to state in the very near future when the Agency can expect (1) further allocation of surplus German industrial capital equipment for distribution among its members and (2) further reciprocal deliveries from the U.S.S.R. in exchange for the industrial capital equipment which it has already received from the Western Zones of Germany."

Almost five months elapsed after this Resolution had been brought to the notice of the Occupying Powers before the Agency was informed by the Western Zone Commanders in July 1948 of the availability of any additional plants as reparation, and then only 147 plants and part plants of the 858 plants which the Western Zone Commanders had stated in October 1947 would be available as reparation, were put at the Agency's disposal for distribution among its Member Governments.

The Agency's expectation of rapid and substantial allocations of industrial capital equipment thus remained unfulfilled, and in September 1948, the Assembly instructed its President once again to bring the position to the notice of the Occupying Powers.

In his letter the President made clear the disappointment felt by the Agency at the continued delay. Moreover, the plants made available by the Western Zone Commanders in July contained "a disproportionate amount of machines and equipment of markedly inferior quality or condition", and Member Governments, mindful of the shares allotted to them under the Paris Agreement, were reluctant to bid for this inferior material until they knew what might later become available:—

"The failure of the Occupying Powers to implement the proposals put forward by them a year ago is in fact the cause of this unfortunate situation, which cannot be remedied until Member Governments of the Inter Allied Reparation Agency have been told precisely what is the final net list of plants that will be available from Germany. The absence of this final net list thwarts one of the chief purposes for which Member Governments of this Agency entered into the Paris Agreement on reparation."

The President, while stressing that the concentration of interest in more important plants in no way indicated that Member Governments were not interested in the remainder, made it clear

that only the communication of a final list could enable the Agency to perform adequately the purpose for which it was established. Member Governments were anxious to obtain the greatest possible amount of industrial capital equipment.

The Occupying Powers, however, had not complied with this request for a final list up to the end of the year and the only further allocation received in 1948 was one of 10 plants made available during November.

The European Recovery Programme and Reparation

During 1948 the policy of taking industrial capital equipment as reparation from Germany was widely discussed in relation to the European Recovery Programme. When the United States' Secretary of State first launched the "Marshall Plan", the President of the Agency told the Delegates of I. A. R. A. Member Governments:

"German reparation can be a powerful contribution by Europe herself towards her own reconstruction and is closely linked to any programme which may be drawn up by the Conference meeting in Paris on July 12.

Nor indeed is there anything new in this. The Paris Agreement on Reparation, which was signed on January 14, 1946, had already laid down that the Inter Allied Reparation Agency should be guided in its task by 'the urgency of each claimant country's needs for the item or items to rehabilitate, reconstruct or restore to full activity the claimant country's economy'.

It is undoubtedly this same sense of the urgency of Europe's need for reconstruction that lies at the basis of the American offer.

The policy of reparation, taking into account the constructive character conferred on it by the Paris Agreement, accords with the spirit of the Marshall proposal, and necessarily comes within the scope of its provisions. The reparation policy cannot help but be an important element in any plan that aims at the reconstruction of Europe within the framework of international economic co-operation which the forthcoming Conference is designed to promote".

In January 1948, the State Department sent to Congress its replies to a questionnaire on dismantling and reparation in general. Among the salient points of these replies, the State Department said:

“.... it is known that a large proportion of plants and equipment already removed from Germany are now in operation in recipient countries, and are contributing to their reconstruction. Of particular importance has been the receipt from Germany of critical types of machines, not procurable elsewhere within less than two or three years, which have served to break industrial bottlenecks and have thus resulted in increases in output throughout an entire segment of industry

Even where equipment secured through reparation could have been purchased through commercial channels within a reasonable period, such purchases would have required hard currency”.

Further, the State Department assured Congress that: —

“The revised plan for the Bizonal area leaves sufficient industrial capacity to pay for needed exports. In view, however, of shortages of fuel, raw materials, manpower and other factors of production, it will require the utmost effort of the Germans to achieve by 1952 the full utilisation of even this capacity.”

In amplification of the State Department's views, Mr. Marshall on 4 February wrote to Senator Vandenberg, Chairman of the Senate Foreign Relations Committee, emphasizing that there were compelling reasons in favour of the reparation programme. The Secretary of State pointed out that unity of purpose and feeling among the nations of Western Europe was essential for European recovery; his letter, which gave at length his reasons for believing that the reparations programme should be adhered to, was accompanied by a memorandum which was equally unequivocal:

“Analysis of Germany's economic situation shows beyond question that the revised level of industry and the dismantling program based on it, have no present effect on Germany's ability to produce and export. Nor has the revised level been found an obstacle to planning the maximum feasible contribution by Germany to the general European recovery program. It provides for the retention in the bizonal area of sufficient industrial capacity to provide a basis for the development of a reasonable standard of living and of a volume of industrial exports greater than prevailed in 1936.

The dismantling and removal of German plants therefore represent the transfer of capacity which would otherwise remain idle in Germany to countries which, because of more

adequate supplies of manpower, housing, transport and other scarce factors of production, and because they enjoy more stable monetary and administrative organisations, can make good use of them.

Transferred German plants are already contributing to the economic recovery of other European countries and may be expected to reduce the cost of American contribution to European aid. To a considerable extent the recipient nations have no other available source of supply for meeting their requirement for much-needed industrial expansion.

The reparations settlement embodying the Potsdam and Paris reparations agreements, of which the dismantling program represents the concrete implementation, is in complete harmony with the interests of both the United States and Germany, taking into account the latter's obligations. It is a settlement by which the European nations who are our true friends, in particular Great Britain and France, consider us completely bound, and it is also a settlement which symbolises for those nations an attitude towards past acts by Germany and towards their own future; any abandonment of this settlement would affect them profoundly".

Notwithstanding these assurances Congress sought further confirmation that the dismantling programme did not contravene the purpose of the European Recovery Programme. It laid certain obligations in this connection upon the E. C. A. Administrator in Article 119 (f) of the E. C. A. Act which provided that:

"The Administrator will request the Secretary of State to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purpose of the European Recovery Program".

In the United States House of Representatives a sub-committee on Germany of the House Select (Herter) Committee was set up to examine American policy towards Germany, and this Committee's report, published early in the Spring, included a recommendation urging the immediate suspension of dismantling in Western Germany.

No official statement of Mr. Hoffman's own views appeared during the following months; but on 1 September Mr. Marshall confirmed Press reports that the question of dismantling had been taken up with Great Britain and France, under the paragraph in

the Act quoted above, at the request of the Administrator. Following this statement a spokesman of the Economic Co-operation Administration (E. C. A.) told the Press that when the British and French replies had been received Mr. Hoffman would ask the Secretary of State to seek the consent of these two countries to a curtailment of the dismantling programme.

Mr. Hoffman himself stated in September at a Press Conference in Washington: "In my opinion it is quite certain that some of the plants now scheduled to be dismantled as reparations could be retained (i. e. in Germany) to benefit European recovery". On 19 September authorised sources in Washington stated that Mr. Marshall had informed Mr. Bevin that the final responsibility must rest with Mr. Hoffman, and said that he felt a curtailment of reparation shipments would probably be necessary.

The United Kingdom and France maintained the view that the reparation concept decided upon at Potsdam must be retained in justice to countries to which formal undertakings had been given that Germany must contribute to the reconstruction of their destroyed, damaged, and war-worn industries. British and French spokesman continued to declare that their Governments had no intention of drawing back from their reparation obligations. After the London talks on German problems which took place in May, for example, Mr. Bevin stated in the House of Commons:

".... I am going to try to honour the obligation on reparations which we entered into with the other Governments. It is no use saying to France and others who are called the I. A. R. A. countries, "We are going to close down on reparations and do nothing to repair ravages caused by Hitler". I have always to carry in mind that it was Germany who started the war. not France and not Belgium and not the other countries that were invited. In trying to be just to one, one must not be unjust to others."

Again on 8 September a British Foreign Office spokesman stated that Sir Oliver Franks, British Ambassador in Washington, had expressed to Mr. Marshall his Government's opposition to any plans for a curtailment of reparation shipments from Germany. The Ambassador said that, in the British view, to re-open now the question of the dismantling programmes would revive European fears of German industrial recovery, would encourage German opposition, would run counter to the agreement reached with Germany's neighbours and would rob them of the German plants they were due to receive as reparation and of which they could

make better use than could the Germans themselves. During the same month officials of the Quai d'Orsay stated:

"France is disposed to study the modifications which might be made in the list of factories for dismantling, in order to enhance Europe's industrial potential; but she wishes to make it quite clear that the principle of reparation remains one of her major pre-occupations."

The Agency itself illustrated the contribution to Allied economic recovery which was being made by industrial capital equipment delivered by Germany as reparation, and the value attached by Member Governments to that contribution, in a document released to the Press on 1 March. This document summarised the justifications submitted by Member Governments in support of their bids, explained in detail the types of plant which each country had received, and listed the uses to which they were being put and the contribution which they were expected to make to the recovery of the industries of the recipient countries. Below are some typical extracts from this report:

AUSTRALIA: "Of equipment to the value of RM. 5 million allocated . . . about 50% has been delivered, of which about 90% by number of items is already in use or about to be used . . . The acquisition of this equipment has undoubtedly been of great benefit in permitting replacements to be made of machine-tools worn out in war-time production. Thus the production of essential goods and equipment in short supply in Australia will be materially assisted."

BELGIUM: "The increasingly keen interest shown by the Belgian engineering and chemical industries in obtaining plant and equipment from Germany by way of reparation clearly indicates the value attached to such equipment. The main reasons for this interest are the long delays and the high prices for the delivery and the purchase of similar equipment from abroad . . . It can be further stated that re-erection of reparation plant, and the incorporation of reparation equipment in existing factories, has contributed to bringing into operation again a number of factories and workshops which had been destroyed or looted during the war."

FRANCE: "It was ascertained in the course of the enquiry that equally keen interest has been shown by the State Industrial Undertakings and by private firms in the

industrial equipment which could be obtained from Germany as reparation This interest in reparation equipment is easily understandable when consideration is given to the considerable delays, amounting to years, before delivery can be obtained from manufacturers of all important types of machines or equipment. Equally great difficulties exist in obtaining the equipment from abroad ”

UNITED KINGDOM: “The general effect of the plant already received has been materially to reduce the delivery dates of steel-producing plant, and it is expected that, with the additional equipment which the United Kingdom hopes to receive, delivery dates will be reduced from 4 years to 2½ years Sample checks on reparation machines already installed showed that, in most cases, serious bottlenecks in the production sequence had been eliminated and, in some cases, also saving in manpower had been achieved.”

NORWAY: “Replacements of machine tools were negligible during the war. Thus a great demand had accumulated when Germany capitulated. However, it has not been possible to satisfy this demand either by purchase abroad or by Norwegian production. A serious shortage of machine tools therefore still prevails in Norway. For the reasons outlined above, the competent Norwegian authorities attach great importance to the reparation deliveries of machine tools from Germany”.

THE NETHERLANDS: “The Ministry of Economic Affairs points out that if machinery as reparation had not been available, it could only have been obtained by purchase abroad. In some cases, there was no source from which the required machines could be obtained, and in all cases, post-war prices were so much higher and delivery dates so much longer that the position in the existing Dutch industries would have been disastrous Each machine delivered and installed has resulted in the employment of two additional workers.”

CZECHOSLOVAKIA: “Practically the whole of the equipment received has been re-erected and is now in use The Government states that the equipment already received and brought into use has made a very appreciable contribution to the recovery of the economy of the country, since it has permitted certain equipment to be repaired or replaced which suffered direct war damage

or was lost through the German occupation. It has also enabled industrial installations which did not suffer direct war damage, but deteriorated for various reasons during the war, to be put into an efficient state ”.

Despite the valuable contribution which reparation in the form of industrial capital equipment from Germany had already made to the economy of the recipient countries, attacks on the continuance of dismantling received greater prominence in important sections of the European and American Press than did arguments in its support. In the United States, in particular, the pro's and con's of dismantling were hotly debated, and this debate continued throughout the year. Those newspapers which supported the principle of dismantling stressed the dangers represented by a resurgent Germany, rather than the part that the dismantling machinery could play in European reconstruction. The critics of dismantling also found considerable support in Congress and the House of Commons.

As the year continued, the organised protests of German political leaders, trade union officials and workers grew more assured, and it became increasingly difficult for the officials responsible for the administration of the Western Zones to enforce orders concerning dismantling.

German protests ranged from attacks in the German Press and organised outcry by leaders of German industry, to strikes by workers, and even official opposition. At the beginning of June the Parliament of North-Rhine Westphalia went so far as to demand that the Western Powers should call a halt to dismantling, which their Prime Minister described as “contrary to the spirit of the Marshall Plan”; and during August the Governments of South Württemberg-Baden and of Baden resigned in protest against dismantling orders. Later in the same month the Prime Minister of the Rhineland Palatinate officially informed the French Military Government that he refused to carry out an order to dismantle eight plants; on 31 August the Prime Minister of the eleven Länder of the Western Zones passed a resolution demanding that all dismantling should cease.

The German propagandists employed every sort of argument against the continuance of the policy of dismantling. It was represented, in particular, as denuding Germany of essential peace-time industries; as running contrary to the purpose of the European Recovery Programme; and as preventing Germany from becoming a strong bulwark against Communism. By October, the German

authorities and Press felt sufficient confidence in the strength of their position to accuse the British Military Government of deliberately hindering Mr. Hoffman's policy by hastening the progress of dismantling, and thereby cheating Western Germany of her rights. However, in spite of this public and official opposition, which in some instances led employees of German plants to prevent dismantling teams from starting work on their factories, the Allied Authorities continued to carry out their dismantling programme.

Opposition thus grew in volume during the year, and when an Advisory Committee (known as the Humphrey Committee) of American industrial leaders was set up by Mr. Hoffman to examine the whole question of reparation, it became stronger still. The report of the Humphrey Committee had not been made public by the 31 December 1948.

PART TWO

WORK OF THE AGENCY IN 1948 INDUSTRIAL CAPITAL EQUIPMENT

Allocation of Plants and Equipment

The equipment from the 197 plants⁽¹⁾ which the Agency had allocated up to the close of 1947, together with the machines made available under the British and French Emergency Delivery Schemes, was valued by the Allied Control Authorities at approximately 246 million Reichsmarks (1938)⁽²⁾. Despite the promises which had been made by the Western Zone Commanders to I. A. R. A. in November 1947, no plants were allocated to the Agency during the first six months of 1948, and therefore the Assembly during this period could allocate only the 51 plants which remained from those made available in 1947, and a small amount of equipment in the 197 plants which had not been bid for previously. This allocated equipment was valued at approximately 32 million Reichsmarks.

In July 1948, the three Western Zone Commanders separately made available a total of 147 plants; 43 of these plants were situated in the United States Zone, 42 in the French Zone, and 62 in the British Zone. In addition, the British Zone Commander made available 10 plants at the end of the year. These 157 plants were valued at 143 million Reichsmarks. By 31 December, 1948, the Assembly had allocated equipment from 107 of these 157 plants, and was prepared to allocate the remainder in the early part of 1949. Thus, the Assembly had allocated between the beginning of the reparation programme and the end of 1948, industrial capital equipment to the value of 387 million Reichsmarks from 354 plants.

Nature of Plants Allocated to the Agency during 1948

Of the 157 plants allocated to the Agency by the Western Zone Commanders in 1948, 118 were engineering plants, the majority of which were either munitions works built specifically for war purposes, or peace-time plants which had been turned over to the production of armaments and war materials. As the equipment of a purely military nature in these plants had been

⁽¹⁾ and ⁽²⁾ Includes one plant valued at 1,580,000 Reichsmarks which was withdrawn from the reparation availability list. This allocation by the Agency was consequently cancelled.

destroyed by the Zone Commanders in accordance with the provisions of the Potsdam Declaration, a large number of them were not complete production units, and were merely collections of unrelated machine tools. Of the remaining 39 plants, 7 belonged to the non-ferrous metal group, 23 to the chemical group and 2, which were not complete units, to the iron and steel group. The majority of the plants selected as reparation were either plants heavily damaged during the war or were plants containing a considerable amount of obsolescent or worn out equipment.

It is to be noted that the Agency has not at any time had any part in the selection of the plants made available by the Allied Authorities. The plants which the Zone Commanders select as reparation are those which are surplus to the peacetime needs of the German economy as determined by the Occupying Powers.

Factors influencing policies of Member Governments when bidding

In view of the relatively small amount of equipment in good condition made available by the Western Zone Commanders in 1948 it was natural that the bidding among Member Governments for the equipment in good condition should be highly competitive. Member Governments realised that Germany was the only source from which they could replace machinery which had been lost, damaged or destroyed during the war, without spending their scarce supplies of foreign currencies. In some instances, indeed, it was apparent that the necessary equipment for the urgent reconstruction of their industries could be obtained only through reparation since an alternative source of supply would not be available for several years.

Examples of keen bidding are found in the following cases:

France, Greece, Czechoslovakia and the United States bid for the chlorine and caustic soda section of a chemical plant at Gendorf. France justified her bid by stating that existing French production of chlorine was only 50% of annual requirements. Greece bid for the plant because of an urgent need for caustic soda in the scrap, artificial silk, and aluminium industries. Czechoslovakia stated that she needed it for the large scale reconstruction of her chemical industry, and the United States bid on the grounds of the increased demand for chlorine and caustic soda both in her domestic and export markets. After lengthy negotiations between the bidding countries, the United States withdrew her bid in order that the equipment might be used in furthering European recovery, and the plant was allocated to France.

France, the United Kingdom and Yugoslavia bid for a plant at Gersthofen producing hydrazine hydrate. The United Kingdom, to whom it was allocated, emphasized that the plant's output would reduce the United Kingdom's annual import requirements by 1,200 tons, and that it would otherwise have taken about four years to develop similar equipment in the United Kingdom.

France, the United Kingdom, Greece and Yugoslavia bid for a part plant at Baden engaged in the production of beryllium and beryllium salts. France, to whom the plant was allocated, required the equipment for use in a French plant already producing beryllium, of which there are only a few in Europe. It was required by the United Kingdom and Yugoslavia for rehabilitation and development of their chemical industries.

The Governments of Australia, Belgium, Denmark, France, the United Kingdom, Greece, India, Pakistan, the Netherlands and Yugoslavia submitted bids for a plant at Munich which manufactured gauges, optical and precision instruments and machine tools accessories. All Governments attached importance to this plant because of the contribution which it would make to their output of machine tools, an industry which, on the Continent in particular, had suffered extensive looting by the Germans during the war and which in all countries is suffering from a shortage of production equipment. This plant was allocated to the Netherlands.

The United Kingdom, France and Czechoslovakia were among the bidding Governments for two plants at Dortmund and a smaller plant at Bad Oeynhausen which during the war had produced tank and gun parts and which contained specialized machine tools suitable for the manufacture of heavy engineering equipment. The machine tools were required by the United Kingdom for firms in the engineering industry which are engaged in the manufacture of steel works plant under the £168 million programme for the modernisation of the British iron and steel industry, and which are also manufacturing heavy engineering equipment for Australia, Belgium, France, Greece, the Netherlands, India, Norway, South Africa and many other countries. The machine tools were required by France as part of the Monnet Plan for development of France's power and industrial resources, and specifically for manufacturing equipment for the electrical and hydro-electric industries, as well as for the manufacture of large Diesel engines and equipment for steel plants. Czechoslovakia needed to replace heavy machine tools which had been

damaged or destroyed during the war-time bombing of Skoda' C.K.D. and other Czech plants. After detailed technical discussions and negotiations, agreement was reached upon a division of the equipment in these three plants between the United Kingdom, France and Czechoslovakia, which has resulted in each receiving machine tools which are suitable for their special requirements and will make a valuable contribution to the efficiency and output of their heavy engineering industries.

France, the Netherlands, India and Pakistan bid for a plant at Mannheim for the manufacture of precision tools. The Netherlands, to whom it was allocated, is establishing a ball-bearing industry which will satisfy domestic requirements for certain types of bearings. The equipment from this plant is being used to supplement the machine tools already received by the Netherlands as reparation from a ball-bearing plant at Schweinfurt.

Yugoslavia and Pakistan bid for a plant at Kiel which had been engaged in the manufacture of Diesel engines and iron castings. It was allocated to Yugoslavia and a part will be used in plant to produce ship-loading equipment, locomotives and wagons. The equipment in the manufacture of Diesel motors is expected to make an important contribution to the rehabilitation of Yugoslavia's agricultural industry which had suffered very heavily as a result of war-time damage and is in process of re-organisation and development.

It has already been noted that when first-class equipment was offered there was keen competitive bidding among Member Governments to obtain it. When, however, the equipment offered consisted of unrelated items of general purpose machinery and of machines which were not in a first-class condition, Member Governments did not show the same eagerness to bid. Often they hesitated from bidding for this equipment because, in the absence of any precise knowledge concerning the total amount of reparation to be made available, they did not wish to fill up their percentage shares with second-rate material and consequently be prevented from bidding for more desirable equipment in the future.

In addition, several Member Governement, because of their allocation of merchant shipping and industrial capital equipment in 1946 and 1947, and because of the small amount of industrial capital equipment which now is expected to be made available, had already received more of the probable pool of reparation than they might expect under their percentage shares as laid down

in the Paris Agreement on Reparation (See Section on Reparation Accounting).

For fear that, in these circumstances a large number of machines might remain temporarily unallocated for a considerable time, and, in order to meet the concern of Member Governments and the Occupying Powers that reparation equipment should be removed from Germany as quickly as possible, the Assembly, early in 1948, modified its allocation procedures.

The problem of equipment for which no bids are received when first offered, had been met in the past by allowing three bidding stages: (1) a first offer at full residual value; (2) a re-offer at full residual value; (3) a final offer at 50% or less of the full residual value, bids at this stage being permitted only for individual items of equipment and not for whole plants. During 1948, this procedure was modified in the following manner. The first stage remained virtually unchanged, except that bids for individual items were permitted only from Member Governments with small reparation shares or in special circumstances which could be justified. At the second stage, a Member Government was permitted to bid either for a whole plant or for individual items, at full residual value or at a reduced value. Bids at the second stage for entire plants could not be at less than 50% of the residual value: bids for individual items could be for any amount up to the full residual value.

In this way the Agency has met the difficulties so far created by the existing uncertainty as to the probable final pool of reparations and by technicalities arising out of the distribution of shares in the reparation pool as laid down in the Paris Agreement. The amount of industrial capital equipment which finally remains unallocated under the present procedures and, therefore, is rejected by the Agency, is less than one quarter of one per cent of the total made available from Germany.

Progress of Dismantling and Delivery of Equipment allocated to Member Governments

Substantial progress was made during the year by the Western Zone Commanders in the dismantling of plants and delivery to the recipient countries. Up to 30 November 1948, of the plants allocated by the Agency, 98 had been completely dismantled and delivered, 129 had been dismantled but not yet fully shipped, and 53 were in progress of dismantling.

As at that date, of the 371,452 tons of equipment in plants allocated by I. A. R. A. for which dismantling reports have been received, 248,148 tons had already been delivered to the recipient countries, and a further 40,894 tons had been dismantled and awaited shipment.

Dismantling and delivery was most advanced in the U.S. Zone where, of a total allocated tonnage of 131,730 tons, 122,027 tons had been delivered and 4,627 tons were dismantled and awaited shipment. Comparable figures for the two other Zones were: British Zone, 228,764 tons allocated, of which 118,068 tons shipped and 35,811 tons dismantled and awaiting shipment; French Zone, 10,758 tons allocated, of which 8,053 tons shipped and 456 tons dismantled and awaiting shipment

RUSSIAN RECIPROCAL DELIVERIES

During the first half of the year, delivery was made of the first allocation of foodstuffs and raw materials due in accordance with the Potsdam Declaration under which the U. S. S. R. undertook to supply an amount equivalent in value to three-fifths of the industrial capital equipment she received from the Western Zones. For the first consignment (a list of whose items is included in Annex VII), it was agreed that, for accounting purposes, 1938 prices, plus 5%, should be used.

During May, a second allocation of commodities proposed by the Russians was approved by the Assembly,⁽¹⁾ as follows:—

Wheat	10,000 tons
Rye	20,000 tons
Diesel Oil	10,000 tons
Brown coal briquettes	10,000 tons
Timber	25,000 cubic metres
Pit Props	2,300 cubic metres
Sanitary ware	7,500 units
Hard paraffin	1,000 units

The Western Zone Commanders, who had undertaken to take delivery of the successive consignments on I. A. R. A.'s behalf, asked that the second consignment should be delivered at the same points as the first. A large proportion of the first consignment had been delivered to them in Berlin and they wished this precedent to be followed. The Soviet authorities, however, declined to make delivery through Berlin, and suggested using North

⁽¹⁾ Annex VII

German ports for the purpose. On 17 December the Secretary General wrote to the three Western Zone Commanders asking when delivery of this second consignment could be expected, and further pointing out that:

..... the Agency has still not been informed of the further lists of commodities which, in view of the total amount of industrial capital equipment so far delivered to the U. S. S. R., I presume should already have been made available to its Member Governments."

Up to 31 December, no replies to this letter were received.

GERMAN MERCHANT SHIPPING

The last of the sea-going German vessels made available for allocation among Member Governments — the whale-catcher UNITAS X — was allocated in October to the United Kingdom, Norway having withdrawn her bid. This ship was valued at £ 29,000 by the Tripartite Merchant Marine Commission.

In addition to the UNITAS X, two partially completed ships, both of which had suffered bomb damage, were made available for allocation. For one of these, known as Hohwaldtswerk No. 794, Yugoslavia bid at its full T. M. M. C. valuation of £ 45,000 (RM. (1938) 630,000) and the Assembly approved its allocation during October. For the second ship, Deutschwerft No. 467 (T. M. M. C. valuation £ 11,500), no bid was received, and a further period was granted by the Assembly during which bids might be submitted at a reduced value.

Final allocations of German merchant shipping, and of shipping disposed of as scrap, are shown in Annex VIII.

INLAND WATER TRANSPORT

Nothing has as yet been made available by the Occupation Authorities for allocation under this heading.

GERMAN EXTERNAL ASSETS

Assets located in Member Countries

The main activities of the Agency in this regard during 1948 have been:

- (a) to standardize and audit the annual valuations, submitted by Member Governments for reparation accounting purposes;

- (b) to facilitate the reconciliation of the conflicting claims of Member Governments to German external assets;
 - (c) to assist Member Governments to discover and maintain their seizure of German assets within their jurisdictions.
- (a) By the end of the year all Member Governments had submitted their valuations of German assets within their jurisdictions in accordance with the Rules of Accounting ⁽¹⁾ adopted by the Assembly in 1947. These valuations were used as the basis for the charges required under the Paris Agreement.

As a result of an amendment to the Accounting Rules adopted by the Assembly on 10 September 1948, the returns to be submitted by Member Governments for the fourth and fifth accounting years are to be expressed in current monetary units on the basis of the prices in force in 1948.

At the close of 1947, it had not been decided whether or not German Railway Rolling Stock and Other Means of Transport located in the territories of Member Governments were to be considered as German external assets within the meaning of Article 6 (Part I) of the Paris Agreement. Discussions on this point were continued into 1948, and on 23 January the Assembly postponed further discussion for sixty days in order to give time for negotiations outside the Agency. The year closed without any report on the course of these negotiations being made to the Assembly. Pending a decision, the Assembly gave instructions that the Agency accounts should show no charge for such assets.

The Agency also circulated during 1948 summaries of changes in custodial legislation adopted by Member Governments.

(b) Conflicting claims between Governments arise mainly because property rights can be seized in the territories of two or more Member Governments, because of different concepts of the term "jurisdiction", and because seizure of assets regarded as German enemy property by one Government may affect the interest of non-enemies or of other Governments. Moreover, the requirement of the Paris Agreement that each Government should seize and account for as reparation the assets within its jurisdiction, implies that, in order to avoid a double accounting, settlement of conflicting claims should be achieved.

On 5 December 1947, an Agreement on the Resolution of Conflicting Claims to German External Assets was signed on behalf of the Governments of Canada, the United States and the

⁽¹⁾ Annex XIV

Netherlands. On 5 January 1948, this Agreement was signed also on behalf of Belgium, on 4 June 1948 on behalf of Luxembourg, and on 17 December 1948 on behalf of Denmark. Since the representatives of certain Member Governments had indicated that they would not be prepared to sign this Agreement, the Assembly at the end of January instructed the Secretary General to prepare a document embodying general principles for the settlement of inter-custodial conflicts, in the hope that this could be accepted by all Member Governments as a frame-work within which particular accords, like that of 5 December 1947, might be reached. A document along these lines was presented to the Assembly and referred to Member Governments, but it was not found possible to reach unanimity in regard to it. Therefore, on 12 March 1948, the Assembly decided that it would take no position on the various proposals and texts for intercustodial agreement, and recommended inter-Government discussions for the settlement of all conflicting claims by 24 January 1950. The Resolution adopted also asked that the texts of any such agreements concluded between Member Governments should be communicated to the Secretary General for the information of all Member Governments.

Under this Resolution the Governments of France and the United Kingdom have informed the Secretary General that they had signed an agreement in Brussels on 15 July 1948 for the settlement of Inter-custodial Conflicts relating to German Enemy Assets. The Belgian Government agreed to act as the depository for this agreement, as it had done for that of 5 December 1947.

(c) In 1946, the Assembly had recognised that it was important for the Agency to help its Member Governments obtain information from all sources "indicating the existence in I. A. R. A. and neutral countries of assets in which . . . German enemy interest is camouflaged"⁽¹⁾ and to this end "recognised the desirability of securing interchange of information between various I. A. R. A. countries as to the identity of business enterprises in which there

⁽¹⁾ German ownership of assets within the jurisdiction of Member Governments has frequently been concealed by means of such devices as holding companies or "cloaks". Assets may be owned through successive channels of ownership which pass through many countries. In one case, which concerns several Member Governments, German interests were traced through 100 companies in over a dozen countries as well as in Germany. In another case, a company in Germany was found to have subsidiaries in four or five I. A. R. A. countries and to be directly or indirectly a subsidiary of its own subsidiaries.

has been discovered to be German enemy interest". It will be recalled in this connection that Article 6 E, Part I, of the Paris Agreement requires that the German enemy assets to be charged against the reparation account of each Member Government "shall include assets which are in reality German enemy assets, despite the fact that the nominal owner of such assets is not a German enemy" and that appropriate steps be taken to "render null and void all transfers made, after the occupation of its territory or its entry into war, for the purpose of cloaking German enemy interests, and thus saving them harmless from measures of custodial control".

On the basis of the above directives, over a hundred investigations were undertaken in Germany during 1948 at the request of Member Governments. As a result of the co-operation of the Occupying Authorities, particularly in the United States and French Zones, the Agency was able to furnish to several Member Governments information regarding German interests of which they were previously unaware in a number of companies within their territories.

Early in the year the Swedish Government agreed to participate on a reciprocal basis with Member Governments of I. A. R. A. in the exchange of information concerning securities issued in Sweden, and held as German-owned property in Sweden. Ten Member countries have now agreed to act reciprocally with the Government of Sweden in this matter.

Assets located in neutral Countries

(a) *Switzerland*

The Government of Switzerland continued to defer a general liquidation of German assets in its territory, claiming that, as a condition precedent to such action and the consequential payment of the agreed portion of the proceeds for the benefit of the Agency, a rate of exchange must be fixed between the Swiss franc and the Reichsmark in order that German nationals deprived of their assets in Switzerland might receive a pre-determined compensation in Reichsmarks. The Government of Switzerland has also continued to demand that it should be given a part in the fixing of this rate of exchange.

On 16 March 1948, the Assembly adopted a Resolution, requesting the Government of Switzerland forthwith to implement the Washington Accord of 25 May 1946 by completing with the

least possible further delay the liquidation of the property covered by that Accord: and to make immediately available, in the meantime, an advance of at least Swiss francs 100 millions.

It is reported that the Government of Switzerland is now suggesting a resort to arbitration regarding the interpretation of the Washington Accord. The Swiss view now is that not only the Reichsmark question but also a number of others must be solved before Switzerland will agree to carry out its obligations under the Accord.

(b) *Sweden*

Under the Washington Accord of 18 July 1946, the Swedish Government agreed to make available a sum of Swedish Kronor 225 millions, of which 150 millions was to be used for the financing of exports to Germany as a preventive against disease and unrest; and a second sum of 75 millions as a Swedish contribution to Allied reconstruction. During 1947, the Swedish Government duly made available to the United States, France and the United Kingdom, the 150 millions mentioned above.

On 3 February 1948, the Assembly adopted a Resolution requesting the Swedish Government to implement the Washington Accord for the benefit of the Governments signatories of the Paris Agreement, by making available the remaining funds with the least possible further delay.

The Swedish reply was handed to representatives of the three Negotiating Powers on 30 April. It maintained that the Resolution had been based on an erroneous interpretation of the letter and of the spirit of the Accord, reiterated that it was for the Swedish Government alone to decide on the allocation of the Swedish Kronor 75 millions due to the countries signatories of the Paris Agreement on Reparation, and argued that its obligation to give favourable consideration to the views of the Allies did not oblige it to accept the distribution formula prepared by the Negotiating Powers.

The Government of Sweden further claimed that it had carried out its obligation to examine with favorable consideration the views presented by the Negotiating Powers, and concluded by regretting its inability to comply with the terms of the Resolution of 3 February.

On 10 June 1948, the Assembly in a further Resolution addressed to the Negotiating Powers reaffirmed the principles set out in the February Resolution. The Negotiating Powers

were invited to request the Government of Sweden to proceed at once with payments on account to Member Governments, utilising the formula proposed by Sweden on 15 September 1947, up to a figure, in each case, not exceeding the Category A percentage of the recipient Government concerned. As regards the balance then remaining, the Negotiating Powers were asked to continue negotiations with Sweden, in the interests of those countries which were left out of account in the Swedish proposals or were offered by Sweden less than their respective entitlements (under the Category A percentage of the Paris Agreement). Sweden later granted a sum of Swedish Kronor 10 millions to Yugoslavia; this the latter accepted with the reservation that she considered the amount to represent an advance payment on the total of nearly 15 millions due as her percentage share under the Paris Agreement.

It does not appear that the Swedish Government has taken any further steps as a result of this Resolution.

(c) *Spain*

An Accord on German external assets in Spain was concluded in Madrid on 10 May 1948, between the Spanish Government and the Negotiating Powers⁽¹⁾. This Accord provided for the expropriation of all property of German nationals in Spain, and her protectorates and possessions; for the disposal of such expropriated property in a manner consistent with the requirements of the Spanish economy but so as to preclude its return to any persons whose property had been expropriated under the Accord, or their representatives; and for the payment of sums realised as the result of such expropriation to an account to be opened in the Spanish Foreign Exchange Institute in the names of the representatives of the Negotiating Powers.

In the financial protocol attached to the Accord it was provided that the balance of this account, after deduction of certain agreed sums payable to the Spanish Government, should in principle be distributed proportionately in accordance with the percentages set out in that protocol; these are identical with the percentages in the Category A entitlements of the Act of Paris. (Certain modifications are, however, permissible).

It is estimated that the total value of official and unofficial German assets in Spain, recoverable in Spanish currency, is between pesetas 525 millions and 550 millions net. The liquidation

⁽¹⁾ Annex XIII

of official German assets in Spain has also produced two sums in foreign currency which it is hoped to allocate early in 1949.

During June a sum of 80 million pesetas derived from the liquidation of property in Spain of the former German Reich was made available to the Assembly for allocation among its Member Governments. On 24 June 1948, the Assembly approved the recommendations of the Secretary General with regard to the distribution of this sum. Practical difficulties exist however before certain Member Governments can make use of the money, because of their lack of commercial and financial intercourse with Spain, and the limitations imposed by the Spanish Government in the financial protocol on the uses to which the money can be put.

(d) *Tangiers*

On 7 December, the representatives of the Negotiating Powers notified the Agency that proceeds from the liquidation of German assets in the International Zone of Tangiers were available for allocation among Member Governments. These proceeds, which have been paid into an account opened with the State Bank of Morocco, amount to French francs 901,339 and Spanish pesetas 731,190. It is hoped to allocate these sums among Member Governments early in 1949.

(e) *Portugal*

The delay in the signing of an agreement with the Government of Portugal concerning German external assets in that country was the subject of Assembly consideration. The Negotiating Powers were asked to do all they could to obtain a rapid and satisfactory agreement regarding these assets. There is no further progress to report.

CAPTURED ENEMY SUPPLIES

During June, the Assembly decided on methods of accounting for supplies and other materials susceptible of civilian use captured from the enemy. In accordance with these decisions, the Categorie A reparations accounts ⁽¹⁾ of Member Governments have been charged with the net values of the estimates submitted by them in respect of the realised amounts and stocks of captured enemy supplies of purely enemy origin.

(¹) Annex XV.

It was agreed by the Assembly that the following classes of captured enemy supplies should not be charged against the reparation accounts of the recipient Governments: supplies and other materials which were, prior to their acquisition by the enemy, in the ownership of the Member Government or its nationals; and supplies and materials produced or constructed in the Member country from materials or labour of that country or its nationals.

REPARATION ACCOUNTING

When the Paris Conference came to draw up the percentage share of the total reparation pool to which each of its Signatory Governments was entitled, certain of those Governments voluntarily renounced a proportion of their entitlement of industrial capital assets. They were not, however, willing to make the same sacrifice in the case of other assets such as German external property within their own jurisdictions. This led to the establishment of two tables of percentage shares:

Category A, including all forms of German reparation except those under Category B;

Category B, including industrial and other capital equipment removed from Germany, merchant ships and inland water transport.

For reparation accounting purposes, the following provisions were made under Article 1 of the Paris Agreement:

“D. If a Signatory Government receives more than its percentage share of certain types of assets in either Category A or Category B, its receipts of other types of assets in that Category shall be reduced so as to ensure that it shall not receive more than its share in that Category as a whole.

“E. No Signatory Government shall receive more than its percentage share of either Category A or Category B as a whole by surrendering any part of its percentage share of the other Category, except that with respect to German enemy assets within its own jurisdiction, any Signatory Government shall be permitted to charge any excess of such assets over its Category A percentage share of total German enemy assets within the jurisdiction of the Signatory Government either to its receipts in Category A or to its receipts in Category B or in part to each Category.

“F.

"G. The following exceptions to paragraphs D and E above shall apply in the case of a Signatory Government whose share in Category B is less than its share in Category A:

- (i) Receipts of merchant ships
- (ii) Any excess of German assets within the jurisdiction of such Government over its Category A percentage share of the total of German assets within the jurisdiction of Signatory Governments as a whole shall be charged first to the additional share in Category B to which that Government would be entitled if its share in Category B were determined by applying its Category A percentage to the forms of German reparation in Category B".

The accounting position within Category B was complicated by the fact that the entitlement of Member Governments to a major block of assets within this Category — the German merchant fleet — was calculated in accordance with a set of criteria differing from those used for industrial capital assets. As a result, some Governments found that their allocation of merchant shipping virtually exhausted their credits under Category B. The position was made worse by the fact that while certain Governments continued to bid for large amounts of equipment as it was offered, others preferred to wait and see what might become available later. As hopes for a really substantial total pool of reparation assets became fainter, it grew increasingly apparent that certain Governments had built up overdrafts in excess of their percentage shares under Category B, while others remained underdrawn. Early in 1948 the Committee on Finance was instructed by the Assembly to examine the position and report its recommendations.

The tasks which faced the Committee were two-fold. On the one hand, it was necessary to draw up a set of Accounting Rules to enable reparation items originally expressed in different currencies to be expressed in a common accounting currency; and on the other, the charges thus arrived at had to be compared with the allocation rules quoted above, in order to discover to what extent and by what methods it would be possible to bring the final accounting of reparations into line with the percentages laid down in the Paris Agreement.

At the end of June, the Committee submitted its first reports on these two related matters, and the Assembly adopted certain of its recommendations. As regards Category A accounting, the new rules may be summarised as follows:

The value of Category A reparation assets shall be expressed in the Agency accounts in United States dollars of 1938:

Returns of German assets within the jurisdiction of Member Governments and established by them for the year 1948 shall serve as a basis for the charges to be made in respect of 1946, 1947 and 1948. 60% of the value of such returns shall be immediately charged to Member Governments. Returns for the two successive years shall be expressed in national monetary units on the basis of 1948 prices;

Annual charges, based on the returns of Member Governments, shall be expressed in current monetary units and shall be converted to U. S. dollars (1938) by first converting into dollars (1948) at International Monetary Fund rates of exchange, and thence into the accounting unit at the rate of \$ 1 (1948) = \$ 0.498 (1938), this being the relationship between the wholesale prices in the United States for the two years in question according to the figures published by the Bureau of Labor Statistics. Provision is made for cases to which these rules cannot be applied:

The value of rolling stock, inland water- and other means of transport of German origin will not be charged to the accounts of the Governments concerned until the Assembly has decided whether the items in question are to be regarded as German external assets;

In general, German assets in neutral countries will be expressed in U. S. dollars (1938), using the rate of exchange and the index of wholesale prices published by the Bureau of Labor Statistics, in force on the date of final allocation by the Assembly.

Special provision is made for the conversion into U. S. dollars (1938) of the value of captured enemy supplies.

Russian reciprocal deliveries will be provisionally debited on the basis of the prices used in the preparation of the programmes and the quantities allocated. These amounts will be converted into U. S. dollars (1938) at the rate of RM. (1938) 4 = \$ 1. These charges will be adjusted later on the basis of the quantities actually delivered and the prices finally agreed by the A. C. A.

A further set of rules, adopted by the Assembly at the same time, aimed at the reduction of overdrafts in reparation accounts. Their main provisions were as follows:

From time to time the Secretary General will establish estimates of the probable pool of reparations in Categories A and B. From these estimates he will prepare tables showing the total entitlement of each country in the probable pool; the total charges already made in the accounts of each country; and an estimate of the probable further charges to be made in respect of German external assets within their jurisdiction;

Governments whose Category A accounts are likely to be charged with an amount greater than their entitlement in the probable pool, but whose Category B accounts are in credit, will be invited to state to what extent they propose to avail themselves of the provisions of the Paris Agreement, Article 1 E;

Future allocation programmes of assets available will aim at reducing overdrafts occurring in either Category;

Governments who are likely to have an absolute overdraft in Category A will not normally be entitled to receive allocations of Russian reciprocal deliveries unless they undertake to place at the Agency's disposal, on the closing of reparation accounts, realisable assets to a value equal to that of the assets allocated;

In the preparation of allocation programmes of industrial capital equipment, the Secretary General will consider the Category B credits of Governments whose Category A accounts reveal an absolute overdraft and who have not provided the statement referred to above, as being reduced by the amount of the absolute overdraft of such Governments in Category A attributable to their holdings of German external assets in excess of their entitlement of the total pool of German external assets within the jurisdiction of Member Governments. This operation, the sole object of which is to permit the application of the principle of the reasonable balance, will have no effect on the reparation accounts of Governments concerned unless they express such a desire.

These measures were calculated to prevent the worsening of the accounting position where overdrafts were concerned. Certain Governments, however, were already overdrawn in both categories, and it became necessary to consider whether means could be found to rectify the position. The Secretary General's first detailed estimates of the final reparation pool, and of the probable accounting position of Member Governments when reparation accounts were finally wound up, showed that already six Governments appeared to be overdrawn in their Category A accounts, and that certain others had exceeded their entitlement under Category B.

Further exhaustive examinations of the position were carried out by the experts of the Secretariat, by the Committee on Finance, and finally by the Assembly itself. In the absence of any knowledge of the size of the final pool of reparations, it was agreed that the moment had not yet come for the final solution of the problem of overdrafts, and that in any case it would probably be necessary to ask for a solution of the problem at Government level. In the outcome, certain compromise proposals were accepted by the Assembly on 14 October, which, in effect, deferred a final decision on the question of overdrafts.

These proposals embraced the following points:

The Assembly accepts as based on an appropriate and equitable interpretation of the Paris Agreement the Category A and Category B accounts drawn up by the Secretary General;

Secondly, the Assembly wishes to stress the fact that the accounting difficulties with which it is now faced, and which were never envisaged by the drafters of the Paris Agreement, are mainly due to the insufficiency of the total pool of reparation made available;

In the circumstances, the Assembly foresees that the final accounts of the Agency cannot help showing a divergence from the percentage shares laid down in the Paris Agreement. It is left to each Delegate to draw the attention of his Government to these facts, so as to enable it to consider what measures might be taken to reach a satisfactory settlement of reparation accounts at the end of the accounting period;

The Secretary General is instructed to propose to the Assembly such allocations of reparation assets, in both Categories, as will maintain an equitable distribution of the total assets which are or may be made available, taking account of the degree of satisfaction which each Government has previously received in reparation assets.

A handwritten signature in black ink, appearing to read "N. E. P. Sutton".

N. E. P. SUTTON,
Secretary General.

ANNEX I
EXTRACTS FROM THE COMMUNIQUE PUBLISHED AT THE END
OF THE POTSDAM CONFERENCE

(2nd August, 1945)

III—B. ECONOMIC PRINCIPLES

II. In order to eliminate Germany's war potential, the production of arms, ammunition and implements of war as well as all types of aircraft and sea-going ships shall be prohibited and prevented. Production of metals, chemicals, machinery and other items that are directly necessary to a war economy shall be rigidly controlled and restricted to Germany's approved post-war peace-time needs to meet the objectives stated in Paragraph 15. Productive capacity not needed for permitted production shall be removed in accordance with the reparations plan recommended by the *Allied Commission on Reparations* and approved by the Governments concerned or if not removed shall be destroyed.

12. At the earliest practicable date, the German economy shall be decentralized for the purpose of eliminating the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts and other monopolistic arrangements.

13. In organizing the German economy, primary emphasis shall be given to the development of agriculture and peaceful domestic industries.

14. During the period of occupation Germany shall be treated as a single economic unit. To this end common policies shall be established in regard to:

- (a) mining and industrial production and allocation;
- (b) agriculture, forestry and fishing;
- (c) wages, prices and rationing;
- (d) import and export programmes for Germany as a whole;
- (e) currency and banking, central taxation and customs;
- (f) reparation and removal of industrial war potential;
- (g) transportation and communications.

In applying these policies account shall be taken, where appropriate, of varying local conditions.

15. Allied controls shall be imposed upon the German economy but only to the extent necessary:

- (a) to carry out programmes of industrial disarmament and demilitarization, of reparations, and of approved exports and imports;
- (b) to assure the production and maintenance of goods and services required to meet the needs of the occupying forces and displaced persons in Germany and essential to maintain in Germany average living standards not exceeding the average of standards of living of European countries. (European countries means all European countries excluding the United Kingdom and the Union of Soviet Socialist Republics);
- (c) to ensure in the manner determined by the Control Council the equitable distribution of essential commodities between the several zones so as to produce a balanced economy throughout Germany and reduce the need for imports;

(d) to control German industry and all economic and financial international transactions, including exports and imports, with the aims of preventing Germany from developing a war potential and of achieving the other objectives named herein;

(e) to control all German public or private scientific bodies, research and experimental institutions, laboratories, etc., connected with economic activities.

16. In the imposition and maintenance of economic controls established by the Control Council, German administrative machinery shall be created and the German authorities shall be required to the fullest extent practicable to proclaim and assume administration of such controls. Thus it should be brought home to the German people that the responsibility for the administration of such controls and any breakdown in these controls will rest with themselves. Any German controls which may run counter to the objectives of occupation will be prohibited.

17. Measures shall be promptly taken:

(a) to effect essential repair of transport;

(b) to enlarge coal production;

(c) to maximize agricultural output; and

(d) to effect emergency repair of housing and essential utilities.

18. Appropriate steps shall be taken by the Control Council to exercise control and the power of disposition over German-owned external assets not already under the control of United Nations which have taken part in the war against Germany.

19. Payment of Reparations should leave enough resources to enable the German people to subsist without external assistance. In working out the economic balance of Germany the necessary means must be provided to pay for imports approved by the Control Council in Germany. The proceeds of exports from current production and stock shall be available in the first place for payment for such imports.

The above clause will not apply to the equipment and products referred to in paragraphs 4 (a) and 4 (b) of the reparations Agreement.

IV. REPARATIONS FROM GERMANY

In accordance with the Crimea decision that Germany be compelled to compensate to the greatest possible extent for the loss and suffering that she has caused to the United Nations and for which the German people cannot escape responsibility, the following agreement on reparations was reached:

1. Reparation claims of the U.S.S.R. shall be met by removals from the zone of Germany occupied by the U.S.S.R. and from appropriate German external assets.

2. The U.S.S.R. undertakes to settle the reparation claims of Poland from its own share of reparations.

3. The reparation claims of the United States, the United Kingdom and other countries entitled to reparations shall be met from the Western Zones and from appropriate German external assets.

4. In addition to the reparations to be taken by the U. S. S. R. from its own zone of occupation, the U. S. S. R. shall receive additionally from the Western Zones:

(a) 15 per cent. of such usable and complete industrial capital equipment, in the first place from the metallurgical, chemical and machine manufacturing industries, as is unnecessary for the German peace economy and should be removed from the Western Zones of Germany in exchange for an equivalent value of food, coal, potash, zinc, timber, clay products, petroleum products, and such other commodities as may be agreed upon.

(b) 10 per cent. of such industrial equipment as is unnecessary for the German peace economy and should be removed from the Western Zones, to be transferred to the Soviet Government on reparation account without payment or exchange of any kind in return.

Removals of equipment as provided in (a) and (b) above shall be made simultaneously.

5. The amount of equipment to be removed from the Western Zones on account of reparations must be determined within six months from now at the latest.

6. Removals of industrial capital equipment shall begin as soon as possible and shall be completed within two years from the determination specified in paragraph 5. The delivery of products covered by 4 (a) above shall begin as soon as possible and shall be made by the U. S. S. R. in agreed instalments within 5 years of the date thereof. The determination of the amount and character of the industrial capital equipment unnecessary for the German peace economy and therefore available for reparations shall be made by the Control Council under policies fixed by the Allied Commission on Reparations with the participation of FRANCE, subject to the final acceptance of the Zone Commander in the Zone from which the equipment is to be removed.

7. Prior to the fixing of the total amount of equipment subject to removal, advance deliveries shall be made in respect of such equipment as will be determined to be eligible for delivery in accordance with the procedure set forth in the last sentence of paragraph 6.

8. The Soviet Government renounces all claims in respect of reparations to shares of German enterprises which are located in the Western Zones of occupation in Germany as well as to German foreign assets in all countries except those specified in paragraph 9 below.

9. The Governments of the United Kingdom and United States renounce their claims in respect of reparations to shares of German enterprises which are located in the Eastern Zone of occupation in Germany, as well as to German foreign assets in Bulgaria, Finland, Hungary, Rumania and Eastern Austria.

10. The Soviet Government makes no claim to gold captured by the Allied troops in Germany.

ANNEX II

AGREEMENT ON REPARATION FROM GERMANY, ON THE ESTABLISHMENT OF AN INTER-ALLIED REPARATION AGENCY AND ON THE RESTITUTION OF MONETARY GOLD

The Governments of Albania, The United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, The United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxembourg, Norway, New Zealand, The Netherlands, Czechoslovakia, The Union of South Africa and Yugoslavia, in order to obtain an equitable distribution among themselves of the total assets which, in accordance with the Provisions of this Agreement and the Provisions agreed upon at Potsdam on 1st August, 1945, between the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, are or may be declared to be available as reparation from Germany (hereinafter referred to as German reparation), in order to establish an Inter-Allied Reparation Agency, and to settle an equitable procedure for the restitution of monetary gold.

Have agreed as follows:

PART I

German Reparation

ARTICLE I

Shares in Reparation

A. German reparation (exclusive of the funds to be allocated under Article 8 of Part I of this Agreement), shall be divided into the following categories:

Category A, which shall include all forms of German reparation except those included in *Category B*.

Category B, which shall include industrial and other capital equipment removed from Germany, and merchant ships and inland water transport.

B. Each Signatory Government shall be entitled to the percentage share of the total value of *Category A* and the percentage share of the total value of *Category B* set out for that Government in the Table of Shares set forth below:

TABLE OF SHARES

Country	Category		Country	Category	
	A	B		A	B
Albania . . . . .	.05	.35	Greece	2.70	4.35
United States of America	28.00	11.80	India	2.00	2.90
Australia . . . . .	.70	.95	Luxembourg . . . . .	.15	.40
Belgium	2.70	4.50	Norway	1.30	1.90
Canada	3.50	1.50	New Zealand . . . . .	.40	.60
Denmark . . . . .	.25	.35	Netherlands	3.90	5.60
Egypt . . . . .	.05	.20	Czechoslovakia	3.00	4.30
France	16.00	22.80	Union of South Africa (1) . . . . .	.70	.10
United Kingdom	28.00	27.80	Yugoslavia	6.60	9.60
			Total	100.00	100.00

(1) The Government of the Union of South Africa has undertaken to

C. Subject to the provisions of paragraph D below, each Signatory Government shall be entitled to receive its share of merchant ships determined in accordance with Article 5 of Part I of this Agreement, provided that its receipts of merchant ships do not exceed in value its share in Category B as a whole.

Subject to the provisions of paragraph D below, each Signatory Government shall also be entitled to its Category A percentage share in German assets in countries which remained neutral in the war against Germany.

The distribution among the Signatory Governments of forms of German reparation other than merchant ships, inland water transport and German assets in countries which remained neutral in the war against Germany shall be guided by the principles set forth in Article 4 of Part I of this Agreement.

D. If a Signatory Government receives more than its percentage share of certain types of assets in either Category A or Category B, its receipts of other types of assets in that Category shall be reduced so as to ensure that it shall not receive more than its share in that Category as a whole.

E. No Signatory Government shall receive more than its percentage share of either Category A or Category B as a whole by surrendering any part of its percentage share of the other Category, except that with respect to German enemy assets within its own jurisdiction, any Signatory Government shall be permitted to charge any excess of such assets over its Category A percentage share of total German enemy assets within the jurisdiction of the Signatory Governments either to its receipts in Category A or to its receipts in Category B or in part to each Category.

F. The Inter-Allied Reparation Agency, to be established in accordance with Part II of this Agreement, shall charge the reparation account of each Signatory Government for the German assets within that Government's jurisdiction over a period of five years. The charges at the date of the entry into force of this Agreement shall be not less than 20 per cent. of the net value of such assets (as defined in Article 6 of Part I of this Agreement) as then estimated, at the beginning of the second year thereafter not less than 25 per cent. of the balance as then estimated, at the beginning of the third year not less than 33 $\frac{1}{3}$ per cent. of the balance as then estimated, at the beginning of the fourth year not less than 50 per cent. of the balance as then estimated, at the beginning of the fifth year not less than 90 per cent. of the balance as then estimated, and at the end of the fifth year the entire remainder of the total amount actually realized.

G. The following exceptions to paragraphs D and E above shall apply in the case of a Signatory Government whose share in Category B is less than its share in Category A:

(i) Receipts of merchant ships by any such Government shall not reduce its percentage share in other types of assets in Category B, except

waive its claims to the extent necessary to reduce its percentage share of Category B to the figure of 0·1 per cent. but is entitled, in disposing of German enemy assets within its jurisdiction, to charge the net value of such assets against its percentage share of Category A and a percentage share under Category B of 1·0 per cent.

to the extent that such receipts exceed the value obtained when that Government's Category A percentage is applied to the total value of merchant ships.

- (ii) Any excess of German assets within the jurisdiction of such Government over its Category A percentage share of the total of German assets within the jurisdiction of Signatory Governments as a whole shall be charged first to the additional share in Category B to which that Government would be entitled if its share in Category B were determined by applying its Category A percentage to the forms of German reparation in Category B.

H. If any Signatory Government renounces its shares or part of its shares in German reparation as set out in the above Table of Shares, or if it withdraws from the Inter-Allied Reparation Agency at a time when all or part of its shares in German reparation remain unsatisfied, the shares or part thereof thus renounced or remaining shall be distributed rateably among the other Signatory Governments.

ARTICLE 2

Settlement of Claims against Germany

A. The Signatory Governments agree among themselves that their respective shares of reparation, as determined by the present Agreement, shall be regarded by each of them as covering all its claims and those of its nationals against the former German Government and its Agencies, of a governmental or private nature, arising out of the war (which are not otherwise provided for), including costs of German occupation, credits acquired during occupation on clearing accounts and claims against the Reichskreditkassen.

B. The provisions of paragraph A above are without prejudice to:

- (i) The determination at the proper time of the forms, duration or total amount of reparation to be made by Germany;
- (ii) The right which each Signatory Government may have with respect to the final settlement of German reparation, and
- (iii) Any political, territorial or other demands which any Signatory Government may put forward with respect to the peace settlement with Germany.

C. Notwithstanding anything in the provisions of paragraph A above, the present Agreement shall not be considered as affecting:

- (i) The obligation of the appropriate authorities in Germany to secure at a future date the discharge of claims against Germany and German nationals arising out of contracts and other obligations entered into, and rights acquired, before the existence of a state of war between Germany and the Signatory Government concerned or before the occupation of its territory by Germany, whichever was earlier;
- (ii) The claims of Social Insurance Agencies of the Signatory Governments or the claims of their nationals against the Social Insurance Agencies of the former German Government; and

(iii) Banknotes of the Reichsbank and the Rentenbank, it being understood that their realization shall not have the result of reducing improperly the amount of reparation and shall not be effected without the approval of the Control Council for Germany.

D. Notwithstanding the provisions of paragraph A of this Article, the Signatory Governments agree that, so far as they are concerned, the Czechoslovak Government will be entitled to draw upon the Giro Account of the National Bank of Czechoslovakia at the Reichsbank, should such action be decided upon by the Czechoslovak Government and approved by the Control Council for Germany, in connection with the movement from Czechoslovakia to Germany of former Czechoslovak nationals.

ARTICLE 3.

Waiver of Claims Regarding Property Allocated as Reparation

Each of the Signatory Governments agrees that it will not assert, initiate actions in international tribunals in respect of, or give diplomatic support to claims on behalf of itself or those persons entitled to its protection against any other Signatory Government or its nationals in respect of property received by that Government as reparation with the approval of the Control Council for Germany.

ARTICLE 4

General Principles for the Allocation of Industrial and other Capital Equipment

A. No Signatory Government shall request the allocation to it as reparation of any industrial or other capital equipment removed from Germany except for use in its own territory or for use by its own nationals outside its own territory.

B. In submitting requests to the Inter-Allied Reparation Agency, the Signatory Governments should endeavour to submit comprehensive programmes of requests for related groups of items, rather than requests for isolated items or small groups of items. It is recognized that the work of the Secretariat of the Agency will be more effective, the more comprehensive the programmes which Signatory Governments submit to it.

C. In the allocation by the Inter-Allied Reparation Agency of items declared available for reparation (other than merchant ships, inland water transport and German assets in countries which remained neutral in the war against Germany), the following general principles shall serve as guides:

- (i) Any item or related group of items in which a claimant country has a substantial prewar financial interest shall be allocated to that country if it so desires. Where two or more claimants have such substantial interests in a particular item or group of items, the criteria stated below shall guide the allocation.
- (ii) If the allocation between competing claimants is not determined by paragraph (i), attention shall be given, among other relevant factors, to the following considerations:
 - (a) The urgency of each claimant country's needs for the item or items to rehabilitate, reconstruct or restore to full activity the claimant country's economy;

- (b) The extent to which the item or items would replace property which was destroyed, damaged or looted in the war, or requires replacement because of excessive wear in war production, and which is important to the claimant country's economy;
 - (c) The relation of the item or items to the general pattern of the claimant country's prewar economic life and to programmes for its postwar economic adjustment or development;
 - (d) The requirements of countries whose reparation shares are small but which are in need of certain specific items or categories of items.
- (iii) In making allocations a reasonable balance shall be maintained among the rates at which the reparation shares of the several claimant Governments are satisfied, subject to such temporary exceptions as are justified by the considerations under paragraph (ii) (a) above.

ARTICLE 5

General Principles for the Allocation of Merchant Ships and Inland Water Transport

A.—(i) German merchant ships available for distribution as reparation among the Signatory Governments shall be distributed among them in proportion to the respective over-all losses of merchant shipping, on a gross tonnage basis, of the Signatory Governments and their nationals through acts of war. It is recognized that transfers of merchant ships by the United Kingdom and United States Governments to other Governments are subject to such final approvals by the legislatures of the United Kingdom and United States of America as may be required.

(ii) A special committee, composed of representatives of the Signatory Governments, shall be appointed by the Assembly of the Inter-Allied Reparation Agency to make recommendations concerning the determination of such losses and the allocation of German merchant ships available for distribution.

(iii) The value of German merchant ships for reparation accounting purposes shall be the value determined by the Tripartite Merchant Marine Commission in terms of 1938 prices in Germany plus 15 per cent., with an allowance for depreciation.

B. Recognizing that some countries have special need for inland water transport, the distribution of inland water transport shall be dealt with by a special committee appointed by the Assembly of the Inter-Allied Reparation Agency in the event that inland water transport becomes available at a future time as reparation for the Signatory Governments.

The valuation of inland water transport will be made on the basis adopted for the valuation of merchant ships or on an equitable basis in relation to that adopted for merchant ships.

ARTICLE 6

German External Assets

A. Each Signatory Government shall, under such procedures as it may choose, hold or dispose of German enemy assets within its jurisdiction in manners designed to preclude their return to German ownership or control

and shall charge against its reparation share such assets (net of accrued taxes, liens, expenses of administration, other *in rem* charges against specific items and legitimate contract claims against the German former owners of such assets).

B. The Signatory Governments shall give to the Inter-Allied Reparation Agency all information for which it asks as to the value of such assets and the amounts realized from time to time by their liquidation.

C. German assets in those countries which remained neutral in the war against Germany shall be removed from German ownership or control and liquidated or disposed of in accordance with the authority of France, the United Kingdom and the United States of America, pursuant to arrangements to be negotiated with the neutrals by these countries. The net proceeds of liquidation or disposition shall be made available to the Inter-Allied Reparation Agency for distribution on reparation account.

D. In applying the provisions of paragraph A above, assets which were the property of a country which is a member of the United Nations or its nationals who were not nationals of Germany at the time of the occupation or annexation of this country by Germany, or of its entry into war, shall not be charged to its reparation account. It is understood that this provision in no way prejudges any questions which may arise as regards assets which were not the property of a national of the country concerned at the time of the latter's occupation or annexation by Germany or of its entry into war.

E. The German enemy assets to be charged against reparation shares shall include assets which are in reality German enemy assets, despite the fact that the nominal owner of such assets is not a German enemy.

Each Signatory Government shall enact legislation or other appropriate steps, if it has not already done so, to render null and void all transfers made, after the occupation of its territory or its entry into war, for the fraudulent purpose of cloaking German enemy interests, and thus saving them harmless from the effect of control measures regarding German enemy interests.

F. The Assembly of the Inter-Allied Reparation Agency shall set up a Committee of Experts in matters of enemy property custodianship in order to overcome practical difficulties of law and interpretation which may arise. The Committee should in particular guard against schemes which might result in effecting fictitious or other transactions designed to favour enemy interests, or to reduce improperly the amount of assets which might be allocated to reparation.

ARTICLE 7 *Captured supplies*

The value of supplies and other materials susceptible of civilian use captured from the German Armed Forces in areas outside Germany and delivered to Signatory Governments shall be charged against their reparation shares in so far as such supplies and materials have not been or are not in the future either paid for or delivered under arrangements precluding any charge. It is recognised that transfers of such supplies and material by the United Kingdom and United States Governments to other Governments are agreed to be subject to such final approval by the legislature of the United Kingdom or the United States of America as may be required.

ARTICLE 8

Allocation of a Reparation Share to Non-repatriable Victims of German Action

In recognition of the fact that large numbers of persons have suffered heavily at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any Government receiving reparation from Germany, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia and Yugoslavia, in consultation with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:

A. A share of reparation consisting of all the non-monetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding 25 million dollars shall be allocated for the rehabilitation and resettlement of non-repatriable victims of German action.

B. The sum of 25 million dollars shall be met from a portion of the proceeds of German assets in neutral countries which are available for reparation.

C. Governments of neutral countries shall be requested to make available for this purpose (in addition to the sum of 25 million dollars) assets in such countries of victims of Nazi action who have since died and left no heirs.

D. The persons eligible for aid under the plan in question shall be restricted to true victims of Nazi persecution and to their immediate families and dependants, in the following classes:

- (i) Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions;
- (ii) German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable on grounds of humanity to assist such persons to emigrate and providing they emigrate to other countries within a reasonable period;
- (iii) Nationals of countries formerly occupied by the Germans who cannot be repatriated or are not in a position to be repatriated within a reasonable time. In order to concentrate aid on the most needy and deserving refugees and to exclude persons whose loyalty to the United Nations is or was doubtful, aid shall be restricted to nationals or former nationals of previously occupied countries who were victims of Nazi concentration camps or of concentration camps established by regimes under Nazi influence but not including persons who have been confined only in prisoners of war camps.

E. The sums made available under paragraphs A and B above shall be administered by the Inter-Governmental Committee on Refugees or by a United Nations Agency to which appropriate functions of the Inter-Governmental Committee may in the future be transferred. The sums made available under paragraph C above shall be administered for the general purposes referred to in this article under a programme of administration to be formulated by the five Governments named above.

F. The non-monetary gold found in Germany shall be placed at the disposal of the Inter-Governmental Committee on Refugees as soon as a plan has been worked out as provided above.

G. The Inter-Governmental Committee on Refugees shall have power to carry out the purposes of the fund through appropriate public and private field organisations.

H. The fund shall be used, not for the compensation of individual victims, but to further the rehabilitation or resettlement of persons in the eligible classes.

I. Nothing in this article shall be considered to prejudice the claims which individual refugees may have against a future German Government, except to the amount of the benefits that such refugees may have received from the sources referred to in paragraphs A and C above.

PART II

Inter-Allied Reparation Agency

ARTICLE 1

Establishment of the Agency

The Governments Signatory to the present Agreement hereby establish an Inter-Allied Reparation Agency (hereinafter referred to as "The Agency"). Each Government shall appoint a Delegate to the Agency and shall also be entitled to appoint an Alternate who, in the absence of the Delegate, shall be entitled to exercise all the functions and rights of the Delegate.

ARTICLE 2

Functions of the Agency

A. The Agency shall allocate German reparation among the Signatory Governments in accordance with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory Governments. For this purpose, the Agency shall be the medium through which the Signatory Governments receive information concerning, and express their wishes in regard to, items available as reparation.

B. The Agency shall deal with all questions relating to the restitution to a Signatory Government of property situated in one of the Western Zones of Germany which may be referred to it by the Commander of that Zone (acting on behalf of his Government) in agreement with the claimant Signatory Government or Governments, without prejudice, however, to the settlement of such questions by the Signatory Governments concerned either by agreement or arbitration.

ARTICLE 3

Internal Organization of the Agency

A. The organs of the Agency shall be the Assembly and the Secretariat.

B. The Assembly shall consist of the Delegates and shall be presided over by the President of the Agency. The President of the Agency shall be the Delegate of the Government of France.

C. The Secretariat shall be under the direction of a Secretary-General, assisted by two Deputy Secretaries General. The Secretary-General and the two Deputy Secretaries General shall be appointed by the Governments of France, the United States of America and the United Kingdom. The Secretariat shall be international in character. It shall act for the Agency and not for the individual Signatory Governments.

ARTICLE 4
Functions of the Secretariat

The Secretariat shall have the following functions:

- A. To prepare and submit to the Assembly programmes for the allocation of German reparation;
- B. To maintain detailed accounts of assets available for, and of assets distributed as, German reparation;
- C. To prepare and submit to the Assembly the budget of the Agency;
- D. To perform such other administrative functions as may be required.

ARTICLE 5
Functions of the Assembly

Subject to the provisions of Articles 4 and 7 of Part II of this Agreement, the Assembly shall allocate German reparation among the Signatory Governments in conformity with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory Governments. It shall also approve the budget of the Agency and shall perform such other functions as are consistent with the provisions of this Agreement.

ARTICLE 6
Voting in the Assembly

Except as otherwise provided in this Agreement, each Delegate shall have one vote. Decisions in the Assembly shall be taken by a majority of the votes cast.

ARTICLE 7
Appeal from Decisions of the Assembly

A. When the Assembly has not agreed to a claim presented by a Delegate that an item should be allocated to his Government, the Assembly shall, at the request of that Delegate and within the time limit prescribed by the Assembly, refer the question to arbitration. Such reference shall suspend the effect of the decision of the Assembly on that item.

B. The Delegates of the Governments claiming an item referred to arbitration under paragraph A above shall select an Arbitrator from among the other Delegates. If agreement cannot be reached upon the selection of an Arbitrator, the United States Delegate shall either act as Arbitrator or appoint as Arbitrator another Delegate from among the Delegates whose Governments are not claiming the item. If the United States Government is one of the claimant Governments, the President of the Agency shall appoint as Arbitrator a Delegate whose Government is not a claimant Government.

ARTICLE 8
Powers of the Arbitrator

When the question of the allocation of any item is referred to arbitration under Article 7 of Part II of this Agreement, the Arbitrator shall have authority to make final allocation of the item among the claimant Governments. The Arbitrator may, at his discretion, refer the item to the Secretariat for further study. He may also, at his discretion, require the Secretariat to resubmit the item to the Assembly.

ARTICLE 9

Expenses

A. The salaries and expenses of the Delegates and of their staffs shall be paid by their own Governments.

B. The common expenses of the Agency shall be met from the funds of the Agency. For the first two years from the date of the establishment of the Agency, these funds shall be contributed in proportion to the percentage shares of the Signatory Governments in Category B and thereafter in proportion to their percentage shares in Category A.

C. Each Signatory Government shall contribute its share in the budget of the Agency for each budgetary period (as determined by the Assembly) at the beginning of that period; provided that each Government shall, when this Agreement is signed on its behalf, contribute a sum equivalent to not less than its Category B percentage share of £ 50,000 and shall, within three months thereafter, contribute the balance of its share in the budget of the Agency for the budgetary period in which this Agreement is signed on its behalf.

D. All contributions by the Signatory Governments shall be made in Belgian francs or such other currency or currencies as the Agency may require.

ARTICLE 10

Voting on the Budget

In considering the budget of the Agency for any budgetary period, the vote of each Delegate in the Assembly shall be proportional to the share of the budget for that period payable by his Government.

ARTICLE 11

Official Languages

The official languages of the Agency shall be English and French.

ARTICLE 12

Offices of the Agency

The seat of the Agency shall be in Brussels. The Agency shall maintain liaison offices in such other places as the Assembly, after obtaining the necessary consents, may decide.

ARTICLE 13

Withdrawal

Any Signatory Government, other than a Government which is responsible for the control of a part of German territory, may withdraw from the Agency after written notice to the Secretariat.

ARTICLE 14

Amendments and Termination

This Part II of the Agreement can be amended or the Agency terminated by a decision in the Assembly of the majority of the Delegates voting, provided that the Delegates forming the majority represent Governments whose shares constitute collectively not less than 80 per cent. of the aggregate of the percentage shares in Category A.

ARTICLE 15

Legal Capacity. Immunities and Privileges

The Agency shall enjoy in the territory of each Signatory Government such legal capacity and such privileges, immunities and facilities, as may be necessary for the exercise of its functions and the fulfilment of its purpose. The representatives of the Signatory Governments and the officials of the Agency shall enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Agency.

PART III

Restitution of Monetary Gold

Single Article

A. All the monetary gold found in Germany by the Allied Forces and that referred to in paragraph G below (including gold coins, except those of numismatic or historical value, which shall be restored directly if identifiable) shall be pooled for distribution as restitution among the countries participating in the pool in proportion to their respective losses of gold through looting or by wrongful removal to Germany.

B. Without prejudice to claims by way of reparation for unrestored gold, the portion of monetary gold thus accruing to each country participating in the pool shall be accepted by that country in full satisfaction of all claims against Germany for restitution of monetary gold.

C. A proportional share of the gold shall be allocated to each country concerned which adheres to this arrangement for the restitution of monetary gold and which can establish that a definite amount of monetary gold belonging to it was looted by Germany or, at any time after March 12th, 1938, was wrongfully removed into German territory.

D. The question of the eventual participation of countries not represented at the Conference (other than Germany but including Austria and Italy) in the above-mentioned distribution shall be reserved, and the equivalent of the total shares which these countries would receive, if they were eventually admitted to participate, shall be set aside to be disposed of at a later date in such manner as may be decided by the Allied Governments concerned.

E. The various countries participating in the pool shall supply to the Governments of the United States of America, France and the United Kingdom, as the occupying Powers concerned, detailed and verifiable data regarding the gold losses suffered through looting by, or removal to, Germany.

F. The Governments of the United States of America, France and the United Kingdom shall take appropriate steps within the Zones of Germany occupied by them respectively to implement distribution in accordance with the foregoing provisions.

G. Any monetary gold which may be recovered from a third country to which it was transferred from Germany shall be distributed in accordance with this arrangement for the restitution of monetary gold.

PART IV
Entry into Force and Signature

ARTICLE 1
Entry into Force

This Agreement shall be open for signature on behalf of any Government represented at the Paris Conference on Reparation. As soon as it has been signed on behalf of Governments collectively entitled to not less than 80 p. 100 of the aggregate of shares in Category A of German reparation, it shall come into force among such Signatory Governments. The Agreement shall thereafter be in force among such Governments and those Governments on whose behalf it is subsequently signed.

ARTICLE 2
Signature

The signature of each contracting Government shall be deemed to mean that the effect of the present Agreement extends to the colonies and overseas territories of such Government, and to territories under its protection or suzerainty or over which it at present exercises a mandate.

In witness whereof, the undersigned, duly authorized by their respective Governments, have signed in Paris the present Agreement, in the English and French languages, the two texts being equally authentic, in a single original, which shall be deposited in the Archives of the Government of the French Republic, a certified copy thereof being furnished by that Government to each Signatory Government.

For the Government of , 194 .
For the Government of , 194 .

Unanimous Resolutions by the Conference

The Conference has also unanimously agreed to include the following Resolutions in the Final Act.

1. German Assets in the Neutral Countries.

The Conference unanimously resolves that the countries which remained neutral in the war against Germany should be prevailed upon by all suitable means to recognize the reasons of justice and of international security policy which motivate the Powers exercising supreme authority in Germany and the other Powers participating in this Conference in their efforts to extirpate the German holdings in the neutral countries.

2. Gold transferred to the Neutral Countries.

The Conference unanimously resolves that, in conformity with the policy expressed by the United Nations Declaration against Axis Acts of Dispossession of 5th January, 1943, and the United Nations Declaration on Gold of 22nd February, 1944, the countries which remained neutral in the war against Germany be prevailed upon to make available for distribution in accordance with Part III of the foregoing Agreement all looted gold transferred into their territories from Germany.

3. Equality of Treatment regarding Compensation for War Damage.

The Conference unanimously resolves that, in the administration of reconstruction or compensation benefits for war damage to property, the treatment accorded by each Signatory Government to physical persons who are nationals and to legal persons who are nationals of or are owned by nationals of any other Signatory Government, so far as they have not been compensated after the war for the same property under any other form or on any other occasion, shall be in principle not less favourable than that which the Signatory Government accords to its own nationals. In view of the fact that there are many special problems of reciprocity related to this principle, it is recognized that in certain cases the actual implementation of the principle cannot be achieved except through special agreements between Signatory Governments.

Reference to the Annex to the Final Act

During the course of the Conference, statements were made by certain Delegates, in the terms set out in the attached Annex, concerning matters not within the competence of the Conference but having a close relation with its work. The Delegates whose Governments are represented on the Control Council for Germany undertook to bring those statements to the notice of their respective Governments.

In witness whereof the undersigned have signed the present Final Act of the Paris Conference on Reparation.

Done in Paris on 21st December, 1945, in the English and French languages, the two texts being equally authentic, in a single original, which shall be deposited in the Archives of the Government of the French Republic, certified copies thereof being furnished by that Government to all the Governments represented at that Conference.

Hysni KAPO, Delegate of Albania;

James W. ANGELL, Delegate of the United States of America;

E. Ronald WALKER, Delegate of Australia;

KAECKENBEECK, Delegate of Belgium;

Maurice POPE, Delegate of Canada;

KRUSE, for the Delegate of Denmark;

, Delegate of Egypt;

Jacques RUEFF, Delegate of France;

S. D. WALEY, Delegate of the United Kingdom of Great Britain and Northern Ireland;

, Delegate of Greece;

P. CHANDHURI, Delegate of India;

[These signatures are appended in agreement with his Britannic Majesty's representative for the exercise of the functions of the Crown in its relations with the Indian States]

WEHRER, Delegate of Luxembourg;

HELGEBY, Delegate of Norway;

S. D. WALEY, for the Delegate of New Zealand;

BOISSEVAIN, Delegate of the Netherlands;

Vavro HAJDU, Delegate of Czechoslovakia;

Maurice POPE, for the Delegate of the Union of South Africa;

Ales BEBLER, Delegate of Yugoslavia

ANNEX

1. Resolution on the subject of Restitution.

The Albanian, Belgian, Czechoslovak, Danish, French, Greek, Indian, Luxembourg, Netherlands and Yugoslav Delegates agree to accept as the basis of a restitution policy the following principles:

- (a) The question of the restitution of property removed by the Germans from the Allied countries must be examined in all cases in the light of the United Nations Declaration of 5th January, 1943.
- (b) In general, restitutions should be confined to identifiable goods which
 - (i) existed at the time of the occupation of the country concerned, and were removed with or without payment; (ii) were produced during the occupation and obtained by an act of force.
- (c) In cases where articles removed by the enemy cannot be identified, the claim for replacement should be part of the general reparation claim of the country concerned.
- (d) As an exception to the above principles, objects (including books, manuscripts and documents) of an artistic, historical, scientific (excluding equipment of an industrial character), educational or religious character which have been looted by the enemy occupying Power shall, so far as possible, be replaced by equivalent objects if they are not restored.
- (e) With respect to the restitution of looted goods which were produced during the occupation and which are still in the hands of German concerns or residents of Germany, the burden of proof of the original ownership of the goods shall rest on the claimants and the burden of proof that the goods were acquired by a regular contract shall rest on the holders.
- (f) All necessary facilities under the auspices of the Commanders-in-Chief of the occupied Zones shall be given to the Allied States to send expert missions into Germany to search for looted property and to identify, store and remove it to its country of origin.
- (g) German holders of looted property shall be compelled to declare it to the control authorities; stringent penalties shall be attached to infractions of this obligation.

2. Resolution on Reparation from Existing Stocks and Current Production.

The Delegates of Albania, Belgium, Czechoslovakia, Denmark, Egypt, France, Greece, India, Luxembourg, the Netherlands, Norway and Yugoslavia.

In view of the decision of the Crimea Conference that Germany shall make compensation to the greatest possible extent for the losses and suffering which she has inflicted on the United Nations.

Considering that it will not be possible to satisfy the diverse needs of the Governments entitled to reparation unless the assets to be allocated are sufficiently varied in nature and the methods of allocation are sufficiently flexible.

Express the hope that no category of economic resources in excess of Germany's requirements as defined in Part III article 15 of the Potsdam Declaration, due account being taken of article 19 of the same Part, shall

in principle be excluded from the assets, the sum total of which should serve to meet the reparation claims of the Signatory Governments.

It thus follows that certain special needs of different countries will not be met without recourse in particular to German existing stocks, current production and services, as well as Soviet reciprocal deliveries under Part IV of the Potsdam Declaration.

It goes without saying that the foregoing shall be without prejudice to the necessity of achieving the economic disarmament of Germany.

The above named Delegates would therefore deem it of advantage were the Control Council to furnish the Inter-Allied Reparation Agency with lists of existing stocks, goods from current production and services, as such stocks, goods or services become available as reparation. The Agency should, at all times, be in a position to advise the Control Council of the special needs of the different Signatory Governments.

3. Resolution regarding Property in Germany belonging to United Nations or their nationals.

The Delegates of Albania, Belgium, Czechoslovakia, France, Greece, Luxembourg, the Netherlands, Norway and Yugoslavia, taking into account the fact that the burden of reparation should fall on the German people, recommend that the following rules be observed regarding the allocation as reparation of property (other than ships) situated in Germany:

- (a) To determine the proportion of German property available as reparation account shall be taken of the sum total of property actually constituting the German economy, including assets belonging to a United Nation or to its nationals, but excluding looted property, which is to be restored.
- (b) In general property belonging legitimately to a United Nation or to its nationals, whether wholly owned or in the form of a shareholding of more than 48 per cent., shall so far as possible be excluded from the part of German property considered to be available as reparation.
- (c) The Control Council shall determine the cases in which minority shareholdings of a United Nation or its nationals shall be treated as forming part of the property of a German juridical person and therefore having the same status as that juridical person.
- (d) The foregoing provisions do not in any way prejudice the removal or destruction of concerns controlled by interest of a United Nation or of its nationals when this is necessary for security reasons.
- (e) In cases where an asset which is the legitimate property of one of the United Nations or its nationals has been allocated as reparation or destroyed, particularly in the cases referred to in paragraphs (b), (c) and (d) above, equitable compensation to the extent of the full value of this asset shall be granted by the Control Council to the United Nation concerned as a charge on the German economy. This compensation shall, when possible, take the form of a shareholding of equal value in German assets of a similar character which have not been allocated as reparation.
- (f) In order to ensure that the property in Germany of persons declared by one of the United Nations to be collaborators or traitors shall be taken from them, the Control Council shall give effect in Germany

to legislative measures and juridical decisions by courts of the United Nation concerned in regard to collaborators or traitors who are nationals of that United Nation or were nationals of that United Nation at the date of its occupation or annexation by Germany or entry into the war. The Control Council shall give to the Government of such United Nation facilities to take title to and possession of such assets and to dispose of them.

4. Resolution on captured War Material

The Delegates of Albania, Belgium, Denmark, Luxembourg, the Netherlands, Norway, Czechoslovakia and Yugoslavia, taking account of the fact that part of the war material seized by the Allied Armies in Germany is of no use to these Armies but would, on the other hand, be of use to other Allied countries recommend:

- (a) That, subject to Resolution I of this Annex on the subject of restitution, war material which was taken in the Western Zones of Germany and which has neither been put to any use nor destroyed as being of no value, and which is not needed by the Armies of Occupation or is in excess of their requirements, shall be put at the disposal of countries which have a right to receive reparation from the Western Zones, of Germany, and
- (b) That the competent authorities shall determine the available types and quantities of this material and shall submit lists to the Inter-Allied Reparation Agency, which shall proceed in accordance with the provisions of Part II of the above Agreement.

5. Resolution on German Assets in the Julian March and the Dodecanese

The Delegates of Greece, the United Kingdom and Yugoslavia (being the Delegates of the countries primarily concerned), agree that:

- (a) The German assets in Venezia Giulia (Julian March) and in the Dodecanese shall be taken into custody by the military authorities in occupation of those parts of the territory which they now occupy, until the territorial questions have been decided; and
- (b) As soon as a decision on the territorial questions has been reached, the liquidation of the assets shall be undertaken in conformity with the provisions of Paragraph A of Article 6 of Part I of the foregoing Agreement by the countries whose sovereignty over the disputed territories has now been recognized.

6. Resolution on Costs relating to Goods Delivered from Germany as Reparation

The Delegates of Albania, Australia, Belgium, Canada, Denmark, Egypt, France, Greece, India, Luxembourg, Norway, New Zealand, the Netherlands, Czechoslovakia and Yugoslavia recommend that the costs of dismantling, packing, transporting, handling, loading and all other costs of a general nature relating to goods to be delivered from Germany as reparation, until the goods in question have passed the German frontier, and expenditure incurred in Germany for the account of the Inter-Allied Reparation Agency or of the Delegates of the Agency should, in so far as they are payable in a currency which is legal tender in Germany, be paid as a charge on the German economy.

7. Resolution on the Property of War Criminals

The Delegates of Albania, Belgium, France, Luxembourg, Czechoslovakia and Yugoslavia express the view that:

- (a) The legislation in force in Germany against German war criminals should provide for the confiscation of the property in Germany of those criminals, if it does not do so already;
- (b) The property so confiscated, except such as is already available as reparation or restitution, should be liquidated by the Control Council and the net proceeds of the liquidation paid to the Inter-Allied Reparation Agency for division according to the principles set out in the foregoing Agreement.

8. Resolution on Recourse to the International Court of Justice

The Delegates of Albania, Australia, Belgium, Denmark, France, Luxembourg, the Netherlands, Norway, Czechoslovakia and Yugoslavia recommend that:

Subject to the provisions of Article 3 of Part I of the foregoing Agreement, the Signatory Governments agree to have recourse to the International Court of Justice for the solution of every conflict of law or of competence arising out of the provisions of the foregoing Agreement which has not been submitted by the parties concerned to amicable solution or arbitration.

La présente copie certifiée conforme à l'exemplaire original unique en langues anglaise et française signé à Paris le 21 décembre, 1945, et déposé dans les Archives de la République Française.

Le Ministre Plénipotentiaire, Chef du Protocole:

JACQUES DUMAINE

PROTOCOL

attached to the Paris Agreement of 14 January 1946

ON REPARATION FROM GERMANY
ON THE ESTABLISHMENT OF AN INTER ALLIED
REPARATION AGENCY

and

ON THE RESTITUTION OF MONETARY GOLD

The Governments of Albania, United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, United Kingdom, Greece, India, Luxemburg, Norway, New Zealand, Netherlands, Czechoslovakia, Union of South Africa and Yugoslavia, having taken note of the Arrangement of 22 January 1948 under which the Governments of the Dominion of India and the Dominion of Pakistan have agreed to the apportionment between them, in the following manner, of the reparation percentage shares allotted to the Government of India under Article 1 B of the Paris Agreement of 14 January 1946:

India:	Category A	1.65	Category B	2.39
Pakistan:	Category A	0.35	Category B	0.51

Having noted that the Government of the Dominion of India and the Government of the Dominion of Pakistan have agreed that the value of Reparation assets in Category B allocated to the Government of India up to and including 14 August 1947, and amounting, subject to such accounting adjustments by the Inter-Allied Reparation Agency as may become necessary, to RM. 10,900,000, will be considered to have been apportioned in the following manner:

Dominion of India:	RM. 8,983,000
Dominion of Pakistan:	RM. 1,917,000

it being understood that the above apportionment is susceptible of adjustment by mutual agreement between the Governments of the Dominions of India and Pakistan.

Having noted that the Government of the Dominion of India and the Government of the Dominion of Pakistan have agreed that the value of Reparation Assets in Category B allocated to the Government of India between 15 August 1947, and 22 January 1948, and amounting, subject to such accounting adjustments by the Inter-Allied Reparation Agency as may become necessary, to RM. 1,068,000, will be considered to have been allocated to the Government of the Dominion of India, it being understood that the above allocation is susceptible of adjustment by mutual agreement between the Governments of the Dominions of India and Pakistan.

Have agreed as follows:

UPON THE SIGNATURE OF THE PRESENT PROTOCOL BY THE GOVERNMENTS SIGNATORIES OF THE PARIS AGREEMENT AND BY THE GOVERNMENT OF THE DOMINION OF PAKISTAN, THE DOMINION OF PAKISTAN SHALL BE DEEMED TO HAVE BEEN A GOVERNMENT SIGNATORY OF THE PARIS AGREEMENT, AS

FROM THE DATE OF THE ENTRY INTO FORCE OF THE SAID AGREEMENT, WITH CORRESPONDING RIGHTS AND OBLIGATIONS, AND TO HAVE ADHERED TO THE UNANIMOUS RESOLUTIONS OF THE PARIS CONFERENCE ON REPARATION. THE GOVERNMENTS OF THE DOMINION OF INDIA AND THE DOMINION OF PAKISTAN SHALL RESPECTIVELY BE ENTITLED TO RECEIVE THE FOLLOWING REPARATION SHARES:

INDIA: CATEGORY A 1.65 CATEGORY B 2.39
PAKISTAN: CATEGORY A 0.35 CATEGORY B 0.51

In witness thereof, the undersigned, duly authorised by their respective Governments, have signed on 15 March 1948 in Brussels the present Protocol, in the English and French languages, the two texts being equally authentic, in a single original which shall be annexed to the Paris Agreement and deposited in the Archives of the Government of the French Republic, a certified copy thereof being furnished by that Government to each Signatory Government, and a certified copy of the Paris Agreement to the Government of the Dominion of Pakistan.

For Albania
For United States of America
For Australia
For Belgium
For Canada
For Denmark
For Egypt
For France
For United Kingdom of Great Britain and Northern Ireland
For Greece
For India
For Luxemburg
For Norway
For New Zealand
For Pakistan
For Netherlands
For Czechoslovakia
For the Union of South Africa
For Yugoslavia

ANNEX III
REVISED PLAN FOR LEVEL OF INDUSTRY
IN THE U. S. / U. K. ZONES OF GERMANY
(Released 29 August 1947)

PREAMBLE

In March, 1946, the four Occupying Powers, acting through the Allied Control Authorities, adopted a plan for Reparations and the Level of Post-War German Economy. The objectives of the plan were to eliminate Germany's war potential, to provide reparations and yet to leave within Germany the necessary plant and equipment to permit the rebuilding of a viable peaceful economy.

Experience has shown the necessity for revision of the plan which was based on specific assumptions that have not been fulfilled. Neither the bizonal area nor all of Germany can regain economic health under the plan as it now stands. Moreover, it has become increasingly apparent that under present conditions Germany cannot contribute her indispensable part to the economic rehabilitation of Europe as a whole.

The revised plan continues to observe the same objectives as the original plan.

Consideration has been given throughout to the necessity for ensuring that the bizonal plan can be assimilated into a plan for Germany as a whole. The offer to the other Occupying Powers to join the Bizonal Area in developing a unified German economy still stands. The plan has been developed with due regard to the hope that this offer will be accepted.

I. GENERAL CONSIDERATIONS

The industrial capacity retained under the March 1946 Plan was estimated to provide production equal to 55 percent of 1938, which would have been about 70—75 percent of 1936 production. The effect of the new plan will be to retain sufficient capacity in the Bizonal Area to approximate the level of industry prevailing in Germany in 1936, a year that was not characterized by either boom or depressed conditions.

- a. The old plan provided for very sharp cuts in production capacities in the metals, machinery and chemicals industries, from which the bulk of reparations were to be obtained. It is impossible to provide a self-sustaining economy in the Bizonal Area without materially increasing the levels in these industries. Substantially the entire difference between the original and revised plan is in these reparations industries since the original plan already provided for maximum, and in some cases unrealistic, levels for the non-reparations industries. Under the revised plan, capacities in the metals, machinery and chemicals industries will be sufficient to permit production at levels averaging about 5 or 10 percent less than in 1936. As compared with the war year 1944, the proposed levels represent a reduction of 55 to 60 percent.
- b. It must be borne in mind that the Bizonal Area already has a population at least 6 millions more than in 1936 and by 1952 it may be expected to have a population from 8 to 10 millions greater than pre-war. On the basis of an expected population of 42 to 44 millions in the Bizonal Area in 1952, the per capita production capacity provided in the new plan would be approximately 75 percent of 1936.

c. In developing the bizonal plan, the over-riding requirement has been to provide the level of industry necessary to make the area self-supporting. In determining the levels for the specific industries, for example, steel and machinery, the requirements for exports, for the internal needs of the Bizonal Area and for trade with the rest of Germany have been taken into account. In evaluating the requirements for trade with the rest of Germany and of imports, account had to be taken of removals of capital equipment from the other Zones and Berlin. The potential output of particular industries, therefore, allows for the needs of Germany through trade, and the capacities retained for this purpose represent requirements of the Bizonal Area. In other words, the Bizonal Area, in order to be self-supporting, must obtain the products in which it is deficient either as imports from outside Germany or in trade from the rest of Germany.

II. REQUIREMENT FOR A BALANCED ECONOMY

In addition to pre-war foreign trade, the Bizonal Area must produce a surplus over its internal requirements for trading with the remainder of Germany; this particularly affects requirements for the industrial capacity of steel and steel products, which are the most needed and, therefore, the most dependable trade commodities required by the rest of Germany in exchange for key products essential to the Bizonal economy.

a. *Change in Price Relationships.* — World food and raw material prices have increased more rapidly than the price of manufactured goods since 1936 and this situation seems likely to continue. Consequently, the Bizonal Area must be prepared to exchange in foreign trade proportionally larger quantities of industrial products in return for necessary food and raw material imports.

b. *Imports.* — In a general way, the Bizonal Area accounted for the whole of Germany's pre-war food deficit, as the remainder of Germany was about self-sufficient in foodstuffs. It is estimated that imports of food, seed and fertilizer sufficient to make possible an essential diet will amount to 1.00 to 1.25 billion dollars at current prices.

(1) Industrial imports from other countries to the Bizonal Area were approximately RM. 1.5 billion in 1936, which represents at least 1.0 billion dollars at current prices. But the altered character of German trade will make it possible to reduce this figure.

(2) The invisible items in Germany's foreign trade were approximately balanced before the war. The present calculations, which make no provision for invisibles on either side of the account, may be optimistic.

(3) The foregoing considerations lead to the conclusion that the total bizonal requirements from outside of Germany will approximate at least 2.0 billion dollars at current prices. Repayment of advances by the Occupying Powers would be an addition to these estimates.

c. *Exports.* — The 1936 exports from the Bizonal Area were approximately RM. 2.6 billion, which is estimated to represent about 1.75 billion dollars at current prices.

- (1) These estimates, therefore, indicate that, in addition to trade requirements for the rest of Germany, the bizonal economy will need to export to other countries at least 15 percent more in volume than in 1936. Since trade between the Bizonal Area and the rest of Germany is subject to greater uncertainty than former internal trade, the result may be to increase still further the needs for trade with other countries.
- (2) Before the war, the broad fields of metals, machinery, and chemicals accounted for two-thirds of the total exports. Production of textiles, ceramics, and consumer goods can be raised, but the extent to which additional sales above pre-war levels can be sold on the export markets is difficult to predict. Exports from the unrestricted industries would need to be increased approximately 90 percent if the higher export requirements were provided entirely from unrestricted industries, which is obviously impracticable. Therefore the level of exports from the restricted industries will need to be greater than pre-war.

III. INCREASED LEVELS IN RESTRICTED INDUSTRIES

The following determinations have been reached with respect to the industries restricted under the original Level of Industry Plan: (Note: All figures stated in Reichsmarks refer to 1936 prices).

a. Steel. — Under the March 1946 Level of Industry Plan, steel capacity for all of Germany is limited to 7.5 million tons, with actual production in any single year not to exceed 5.8 million tons. Careful calculations show that this level would be clearly insufficient even to support the level of industry contemplated in the original plan, and it is far too low to provide for the needs of the economy under the revised plan. It has been determined that in order to support the revised level of industry in the Bizonal Area and to permit that area to become self-supporting, the limit of annual steel production in the Bizonal Area shall be fixed at 10.7 million ingot tons per annum and sufficient capacity to produce that tonnage shall be retained.

b. Mechanical Engineering Industries.

- (1) *Heavy Machinery Industry.* — Sufficient capacity will be retained to produce RM. 500 million, which is about 80 percent of pre-war production. This leaves 35 percent of the present capacity to be removed as reparations as against 60 percent under the previous plan.
- (2) *Light Machinery Industry.* — The capacity in the Bizonal Area is estimated at about RM. 1,195 million. Capacity will be retained to produce RM. 916 million, which is 119 percent of pre-war production. This leaves 23 percent of present estimated capacity available for reparations, as compared with 33 percent under the old plan.
- (3) (Note: Grouping heavy and light machinery, the revised level is 105 percent of pre-war production).
- (4) *Fine Mechanics and Optics.* — In the field of precision optics, no plants will be made available for reparations. The capacity is to

be retained to provide for internal needs and attain exports of the same products equal to those from the Bizonal Area in 1936.

In the case of photo-technics, no plants are to be made available for reparations and the retained capacity will be used to attain 150 percent of pre-war exports in this field from the Bizonal Area as well as to provide for internal requirements.

In the watch making industry, one plant, which had been converted to war use, will be made available for reparations.

Capacity in excess of pre-war will be retained in the field of precision mechanics. However, all plants, which had been built for or substantially modified to war use, will become available for reparations.

(5) *Machine Tools.* — The March, 1946 Level of Industry Plan permits the production of RM. 74 million in all of Germany, or 11.4 percent of 1938 output. The Bizonal Area, before the war, produced about 43 percent of Germany's machine tools. Present capacity is estimated at RM. 259 million. It has been determined that capacity sufficient to produce RM. 170 millions must be retained in order to support the revised level of industry. This will leave about 35 percent of present capacity for reparations.

c. *Agriculture and Road Tractors.* — Estimated Bizonal capacity for agriculture and road tractors is 16,500. This is inadequate to meet Bizonal requirements, which are estimated to be 19,500. Consequently, there will be no reparations in this industry.

d. *Transportation industries:*

Automotive Industry. — Capacity will be retained for the production of 160,000 passenger cars and 61,500 commercial vehicles. This compares with 40,000 passenger cars and 38,000 commercial vehicles allotted to the Bizonal Area under the old plan.

e. *Electrical Engineering.* — The present capacity of the electrical industry in the Bizonal Area is required with the exception of three war-time plants. Capacity is estimated to be about one-half greater than pre-war. This increase is necessary because pre-war requirements of the Bizonal Area were in large part met from capacities in Berlin, which have been almost totally dismantled. Under the old plan, about one-quarter of present bizonal capacity would have been removed.

f. *Chemicals:*

(1) Approximately the 1936 capacity will be retained in the chemical industry which is about 42 percent more than that provided in the old plan. However, a large number of explosive and other chemical plants were developed for war purposes. Between 40 and 50 percent of the total chemical capacity, including war explosives will, therefore be removed as reparations or destroyed. More than three-quarters of such removals represent war explosive plants that have already been offered for reparations or declared for destruction.

- (2) For the plastics industry, capacity somewhat larger than pre-war will be retained. Approximately one-quarter of existing capacity of this industry will be made available for reparations.
 - (3) Capacity for the production of 34,000 tons of dyestuffs will be retained, which is somewhat below pre-war. One plant will be available for reparations in this industry, with a capacity of 2,500 tons of sulphur black dyes.
 - (4) One pharmaceutical plant for the production of atabrine will be available for reparations. This will leave the Bizonal Area with a capacity equal to about 87 percent of pre-war production.
 - (5) In the miscellaneous chemical groups, a capacity greater than the pre-war level of production will be retained. About fifteen percent of the capacity will be available for reparations.
 - (6) In the basic, organic, and inorganic chemical industries sufficient capacity will be retained to permit output at about pre-war levels. Not more than 17 percent of present capacity will be removed as reparations.
- g. *Cement* — All of the cement capacity in the Bizonal Area is required and will be retained.
- h. *Electric Power* — Except for certain power stations attached to industrial plants scheduled for reparations under this plan, and power plants already allocated for reparations, no further removals will take place. In order to sustain the levels of production required by the bizonal economy, the present power plants in the Bizonal Area will have to be substantially repaired and replaced to meet the power requirements.
- i. *Non-Ferrous Metals* — The Bizonal copper requirements are 93 percent of estimated current refining capacity. Fabricating capacity for 215,000 tons of copper in the Bizonal Area will be retained, as compared with 140,000 tons for all of Germany under the old plan. This will make available for reparations one smelter plant and an appreciable quantity of fabrication facilities, including special pieces of equipment that are surplus to individual plants.

IV. PROHIBITED INDUSTRIES

The production of aluminium, beryllium, vanadium, and magnesium is prohibited under the previous Level of Industry Plan. No plants in these industries will be made available for reparations purposes pending further review. No change is proposed in the arrangements made under the previous plan in regard to ball bearings, synthetic ammonia, synthetic rubber, and synthetic gasoline and oil.

REVISED LEVEL OF RESTRICTED INDUSTRIES IN THE
U.S./U.K. ZONES OF GERMANY

Appendix

Industry or Branch of Industry	Unit	Estimated 1936 Production	Revised Level	Existing Capacity	Revised Level as % of '36 Capacity	Revised Production as % of existing Capacity
1	2	3	4	5	6	7
<i>Steel</i>	Million tons	14.9	10.7	19.2 (rated capacity)	72	
<i>Primary non-ferrous metals (production)</i>	Thousand tons					
Copper, Crude	"		128	134	96	
Copper, Refined	"		215	231	93	
Zinc, Refined	"		180	180	100	
Lead, Refined	"		141	141	100	
<i>Semi-fabricating and casting</i>						
Copper and zinc (1)	"	596	585	605	90	
Lead	"	72.5	52.2	52.2	72	
<i>Mechanical Eng'ring machinery</i>	Million RM (3)					
Heavy Machinery	"	619	500	775	80	65
Light Machinery	"	769	916	1195	119	77
Machine Tools	"	206	170	259	83	65

1	2	3	4	5	6	7
<i>Automobiles and Tractors</i>						
Passenger Cars	Thousand Units					
Commercial Vehicles	"					
Agricultural & Road Tractors	"					
<i>Fine Mechanics & Optics</i>						
<i>Electrical Equipment</i>	Million RM (3)					
<i>Cement</i>	Million Tons					
<i>Chemicals — TOTAL</i>	Million RM (3)					
Basic chemicals	"	2325	2271	4194	98	54
Synthetic ammonia	"	270	283	288	105	98
Inorganic chemicals	"	95	118	118	124	100
Misc. chemicals (incl. military explosives)	"	180	180	240	100	75
Organic chemicals	"	1095	1066	2821	97	38
Dyestuffs	"	160	160	225	100	71
Pharmaceuticals	"	180	173	176	96	98
Tar distillation	"	270	228	263	84	87
	"	75	63	63	84	100

(1) Combined, capacity is mainly for production of alloys in the same plants.

(2) Existing capacity is less than proposed level.

(3) Measured in 1936 prices.

ANNEX IV

RULES OF THE AGENCY

CHAPTER I. ASSEMBLY MEETINGS

ARTICLE 1

The Assembly shall meet as often as is necessary in order to settle the allocation of German reparation in accordance with the provisions of the Paris Agreement on Reparation of January 14, 1946, and to fulfil any other functions in accordance with the provisions of the Paris Agreement.

ARTICLE 2

The Assembly shall be convened either (a) at a date fixed by the Assembly before the close of its preceding session, or (b) upon the request of the President, at a date fixed by him, or at the request of any Delegate, with the agreement of the President, or (c) at a date fixed by the Secretary General on written request addressed to him by one third or more of the Delegates to the Agency, whichever date is the earliest.

ARTICLE 3

The meetings of the Assembly shall be held in Brussels, unless otherwise decided by the Assembly.

ARTICLE 4

The Secretary General shall notify all the Delegates at their Brussels addresses of the date of the opening of each session at least four working days before this date, unless the date has been fixed by the Assembly at its preceding session.

CHAPTER II. DELEGATES

ARTICLE 5

Each Member Government shall appoint a Delegate to the Agency. It may appoint an Alternate and the Delegate may designate Substitutes for the Alternate. Either the Alternate or the Substitutes, in the absence of the Delegate, shall be entitled to exercise all the functions and rights of the Delegate, as the Delegate may decide.

Each Delegate shall also be entitled to designate such technical advisers and experts as he may need to assist him.

ARTICLE 6

The names of the Delegates and of the members of their staffs, as well as such documents as may be needed to accredit them to the Agency, shall be communicated to the Secretary General.

CHAPTER III. AGENDA

ARTICLE 7

The Secretary General shall submit to the Delegates a draft Agenda before each Session of the Assembly and shall, whenever possible, circulate it to the Delegates at least seven days before the opening of the Session.

ARTICLE 8

The draft Agenda shall comprise all items whose inclusion has been approved by the Assembly during its preceding Session, all items which the Secretary General may think advisable to include, and all items whose inclusion has been requested by the President or by any other Delegate.

ARTICLE 9

The Assembly shall determine its Agenda at the opening of each Session. During the Session any Delegate may introduce a motion to add other items to the Agenda. Delegates shall be entitled to speak for a reasonable period on items which they have requested to be included in the Agenda.

CHAPTER IV. PRESIDENT

ARTICLE 10

The President of the Agency shall be the Delegate of the Government of France, or in his absence his Alternate. The President of the Agency shall preside over the Assembly.

ARTICLE 11

The President shall not vote.

The Alternate of the Delegate of the Government of France shall have the power to vote in his stead.

ARTICLE 12

The President shall open and close the meetings of the Assembly, direct its debates, ensure the observance of the Rules of the Agency, call on the speakers, and announce decisions of the Assembly.

CHAPTER V. PROCEEDINGS

ARTICLE 13

No Delegate may speak at the meetings of the Assembly or of its Committees without having first been authorized to do so by the President of the Assembly or the Chairman of the Committee.

At meetings of the Assembly or of Committees the President of the Assembly or the Chairman of the Committee, respectively, shall normally call on Delegates to speak in the order in which the Delegates have signified their wish to speak, and may call a speaker to order whenever in his opinion the speaker's remarks do not bear on the subject under discussion.

ARTICLE 14

During debates every Delegate shall be at any time entitled to submit a motion for adjournment of the debate or to raise a point of order. Such motion or point of order shall have priority.

ARTICLE 15

The Assembly or its Committees may limit the time allotted to each speaker.

ARTICLE 16

Resolutions, amendments or any other motions, except motions for adjournment, submitted to the Assembly or to its Committees shall, as far as possible, be presented in writing to the Secretary General 48 hours before the meeting at which they are to be discussed.

The Secretary General shall, as promptly as possible, distribute such proposals to all the Delegates.

CHAPTER VI. VOTING IN THE ASSEMBLY

ARTICLE 17

A quorum in the Assembly shall consist of two-thirds of the Delegates entitled to vote, provided that in the consideration of the Budget of the Agency, the Delegates constituting the quorum also represent Governments whose shares of the Budget form collectively not less than two-thirds of the aggregate of shares in the Budget.

ARTICLE 18

The Rules of the Agency shall be adopted or amended by decisions of the Assembly.

ARTICLE 19

Except as otherwise provided in these Rules, each Delegate shall have one vote in the Assembly.

Decisions in the Assembly shall be taken by a majority of the votes cast.

In the case of a tie vote, the motion shall be deemed to have been defeated.

ARTICLE 20

In considering the Budget of the Agency for any budgetary period, the vote of each Delegate in the Assembly shall be proportional to the share of the budget payable by his Government for that period.

ARTICLE 21

Part II of the Paris Agreement on Reparation of January 14, 1946 can be amended, directly or indirectly, or the Agency terminated, only by a decision in the Assembly of the majority of the Delegates voting, and provided that the Delegates forming this majority represent Governments whose shares constitute collectively not less than 80% of the aggregate of the percentage shares in category A as defined in the Paris Agreement.

ARTICLE 22

Voting in the Assembly shall normally take place by a show of hands, unless one of the Delegates requests a roll call. If the roll is called, Delegates shall vote in the French alphabetical order of the names of the countries they represent and the name and vote of each Delegate taking part in the voting shall be inserted in the Minutes.

CHAPTER VII. APPEAL FROM DECISIONS OF THE ASSEMBLY

ARTICLE 23

(a) Any decision of the Assembly on the allocation of German reparation shall, subject to the reservation in para. (b) below, come into force at once.

(b) If a Delegate whose Government has submitted a bid for an item which has not been agreed to by the Assembly, has indicated, either by a dissenting vote, or by a motion put forward before the closure of the debate, that he intends to reserve his right to request arbitration, the decision of the Assembly on that item shall not come into force until eight working days after it is taken or until all Delegates whose claims for the item were not agreed to by the Assembly waive their right to request arbitration, whichever date is the earlier.

(c) At any time within that period of eight working days, any Delegate whose claim for the item was not agreed to by the Assembly may request reference of the question to arbitration. Thereupon the President shall immediately grant the request. Such reference shall suspend the effect of the decision of the Assembly on that item.

(d) The Delegate or Delegates who requested such reference may withdraw the request at any time. If all Delegates who requested the reference thus withdraw their request, the decision of the Assembly shall come into force.

ARTICLE 24

The Delegate of the Governments claiming an item referred to arbitration under Article 23 above shall select an Arbitrator from among the other Delegates. If agreement cannot be reached upon the selection of an Arbitrator, the President shall request the Delegate of the United States either to act as Arbitrator or to appoint as Arbitrator another Delegate from among the Delegates whose Governments are not claiming the item. If the United States Government is one of the claimant Governments, the President of the Agency shall appoint as Arbitrator a Delegate whose Government is not a claimant Government. In all cases, the name of the Arbitrator shall be communicated to the Secretary General.

ARTICLE 25

The Arbitrator shall have authority to make final allocation among the claimant Governments of the item referred to him.

The Arbitrator may, at his discretion, refer the item to the Secretariat for further study. He may also, at his discretion, require the Secretariat to resubmit the item to the Assembly.

The Arbitrator shall take action as rapidly as is consistent with the effective fulfilment of his responsibilities. He shall communicate his decision to the Secretary General, who shall inform the Assembly of this decision during its next meeting.

CHAPTER VIII. MINUTES

ARTICLE 26

At each meeting of the Assembly or its Committees, unless otherwise decided, a verbatim record shall be taken in shorthand. This record shall be available for inspection by all the Delegates. The Assembly or the competent Committee may require circulation of the record to the Delegates.

ARTICLE 27

Draft Minutes containing the decisions and a summary of the debates of the Assembly and of its Committees shall be drawn up after each meeting. These draft Minutes shall, as far as possible, be distributed before the ensuing meeting of the Assembly or Committee. Delegates may suggest modifications of the draft Minutes to the Secretary General within three working days following the day of the distribution of the draft Minutes. Unless otherwise decided by the Assembly or the Committee, the draft Minutes as modified shall be regarded as final.

CHAPTER IX. OFFICIAL LANGUAGES

ARTICLE 28

The official languages of the Agency shall be English and French. All the documents of the Assembly, and other documents as necessary, shall be drawn up in English and French. Speeches or statements made in the Assembly or its Committees in either of these two languages shall be immediately translated into the other official language, unless otherwise unanimously decided.

ARTICLE 29

Delegates shall be entitled to use another language besides the two official ones in the Assembly or its Committees, provided they supply on their own responsibility an immediate oral translation of their speeches or statements into one of the two official languages.

CHAPTER X. PUBLICITY OF MEETINGS

ARTICLE 30

Except as otherwise decided by the Assembly, the meetings of the Assembly and of its Committees shall be secret.

ARTICLE 31

The Assembly shall approve the texts of communiques concerning its deliberations and decisions. Such communiques shall be given to the Press only through the Secretary General.

CHAPTER XI. COMMITTEES OF THE ASSEMBLY

ARTICLE 32

Members of the Committees of the Assembly shall be elected by the Assembly.

Members of Committees may only be Delegates, but each Delegate may appoint one or more experts or technical advisers to represent him on a Committee.

Experts and technical advisers shall not be appointed as Chairman or Reporter of a Committee, except by the express authorisation of the Assembly.

ARTICLE 33

The Assembly shall determine the number of Delegates constituting a quorum in each Committee.

ARTICLE 34

Unless otherwise decided by the Assembly, the seat of each Committee shall be at Brussels.

ARTICLE 35

Except as otherwise provided in these Rules, each Delegate shall have one vote in a Committee, and decisions in the Committees shall be taken by a majority of the votes cast.

In the case of a tie vote, the motion shall be deemed to have been defeated.

ARTICLE 36

Committees shall report to the Assembly as promptly as possible their conclusions on all matters entrusted to them.

Except in the case of a decision to the contrary by the Assembly a report of a committee shall be made in writing by the Chairman of the Committee and shall be communicated to the Secretary General in time to allow the Secretariat to circulate it to all Delegates 48 hours before the report is to be discussed in the Assembly.

The Chairman of a Committee may supplement his report by a verbal statement in the Assembly.

Members of a Committee who do not concur in the conclusions reached by a Committee may submit separate reports to the Assembly, either in writing through the Secretary General or verbally in the Assembly.

ARTICLE 37

A Committee on Credentials composed of five members shall be elected each year at the first Session of the Assembly.

The Committee on Credentials shall examine the credentials of the Delegates and their Alternates and other members of their staffs.

ARTICLE 38

A Committee on Finance and Accounts, composed of five members shall be elected at least three months before the end of each financial year for the succeeding financial year.

The terms of reference and duties of the Committee on Finance and Accounts are set forth in Chapter XIII of these Rules.

ARTICLE 39

A Committee on German External Assets, composed of six members, shall be elected with power to co-opt other members for particular issues. It shall deal with questions relating to German external assets referred to it by the Assembly.

The Committee on German External Assets shall appoint a Committee of Experts in matters of enemy property custodianship to report to it.

This Committee of Experts shall examine the practical difficulties in matters of law and interpretation which may arise in connection with liquidation, conversion and accounting with respect to German external assets. The Committee of Experts should in particular guard against schemes which might result in effecting fictitious or other transactions designed to favour enemy interests, or to reduce improperly the amount of assets which might be allocated to reparation.

ARTICLE 40

A Committee on Merchant Shipping shall be elected.

The Committee shall make recommendations to the Assembly concerning the determination of losses suffered and the allocation of the German merchant ships available for distribution as reparation in proportion to the respective overall losses of merchant shipping, on a gross tonnage basis, of the member Governments and their nationals through acts of war.

ARTICLE 41

A Committee on Inland Water Transport shall be elected. The Committee shall examine all questions relating to inland water transport referred to it by the Assembly. It shall also make recommendations to the Assembly with regard to the valuation and allocation of inland water transport, in the event that inland water transport becomes available as reparation to the member Governments.

ARTICLE 42

A Committee on Existing Stocks, Goods from Current Production and Services shall be elected. The Committee shall examine all questions relating to existing stocks, goods from current production and services which may be referred to it by the Assembly.

In particular, the Committee shall make recommendations to the Assembly concerning general principles for the allocation of goods and services which have been or may be declared available as reparation, including goods to be delivered by the U.S.S.R. in accordance with Art. IV par. 4 a of the Potsdam Declaration.

ARTICLE 43

A Committee on Industrial and Scientific Property Rights shall be elected.

The Committee shall examine all questions relating to German patents, models, prints and drawings, trade marks, technical processes and other industrial and scientific property rights which may be referred to it by the Assembly.

ARTICLE 43 bis

A Committee on Authors' Rights shall be elected by the Assembly.

The Committee shall examine all questions relating to German authors' rights and other German-owned artistic and literary property rights which may be referred to it by the Assembly or by the Committee on German External Assets.

ARTICLE 44

An Arbitration Commission shall be constituted for each of the questions on restitution submitted to the Agency under Article 2 B of Part II of the Paris Agreement on Reparation of January 14, 1946.

Each Commission shall be composed of three members elected by the Delegates of the Governments interested in the question from among the Delegates of Governments not so interested; or, if agreement cannot be reached, by the Assembly.

Decisions of the Commission shall require the agreement of at least two of the three members, and shall be final. Decisions shall be notified to the Secretary General, who shall communicate them to the Assembly at its next meeting.

CHAPTER XII. SECRETARY GENERAL AND SECRETARIAT

ARTICLE 45

The Secretary General of the Agency shall be the Secretary of the Assembly and of its Committees.

The Secretary General may designate one of the Deputy Secretaries or a member of his staff to represent him at the meetings of the Assembly or of its Committees.

ARTICLE 46

The Secretary General shall make, at latest during the month of February each year, a report on the activities of the Agency during the preceding year. On the authorisation of the Assembly this report shall be published, on the responsibility of the Secretary General.

The Secretary General shall also submit to the Assembly, each quarter, a report on the work accomplished during the preceding period.

He shall also submit to the Assembly any additional reports which the Assembly may require him to make, or which he may desire to submit.

ARTICLE 47

The Secretary General shall communicate to the Delegates lists of assets available for reparations as promptly as he receives them. He shall likewise communicate to them any other information concerning such assets as may be necessary to allow member Governments to formulate their claims.

He shall receive reparation claims from the Delegates. He shall communicate to each Delegate the claims transmitted to him by other Delegates as soon as he has received them.

He shall draw up Programs of Allocation after consultation with the Delegates and shall attempt to reconcile competing claims. He shall submit the Programs of Allocation to the Assembly with the least possible delay.

ARTICLE 48

The Secretary General shall maintain detailed accounts of assets available for, and of assets distributed as, German reparation.

ARTICLE 49

The Secretary General shall as far as possible keep the Delegates informed in regard to the progress of deliveries under reparation programs.

ARTICLE 50

The Secretary General shall represent the Agency in all financial, legal and other administrative matters, and in particular in matters of privileges, immunities and the like.

ARTICLE 51

The Secretary General shall receive, reproduce, translate and distribute the documents, reports and resolutions of the Assembly and its Committees. He shall supply interpreters for the meetings of the Assembly and its Committees. He shall further undertake the editing, reproducing and distribution of the minutes of the meetings, and shall ensure the safe-keeping of documents in the archives of the Agency.

CHAPTER XIII.

GENERAL FINANCIAL AND ACCOUNTING RULES

PART I. GENERAL

ARTICLE 52

The financial year of the Agency shall be the calendar year, provided that the first financial year shall be the period from the inception of the Agency until 31st December 1946.

ARTICLE 53

The Budget and the financial accounts of the Agency shall be expressed in terms of Belgian francs. When receipts or expenditures occur in other currencies, subsidiary accounts shall be kept in terms of the appropriate currencies.

PART II. PAYMENT OF CONTRIBUTIONS

ARTICLE 54

At the beginning of each financial year, each member Government shall pay in its share of the expenses voted and approved in the Budget for that year as provided by and in the proportions laid down in Article 9, Paragraphs B and C of Part II of the Paris Agreement on Reparation of January 14, 1946; provided, however, that for the first financial year each member Government shall contribute its share in the Budget for that year within three months of the date when the Agreement was signed on its behalf or as soon as possible after the adoption of the Budget. Any amounts paid in by a Government on the signing of the Agreement shall be considered as part of that Government's share of the Budget for the Budget for the first financial year.

ARTICLE 55

All contributions shall be made in Belgian francs or in such other currency or currencies as the Agency may require.

ARTICLE 56

Contributions shall be paid into the Banque Nationale de Belgique for the account of the Agency.

PART III. BUDGET

ARTICLE 57

- (a) Budget Estimates for each financial year shall be prepared by the Secretary General and submitted to the Committee on Finance and Accounts no later than three months before the end of the preceding financial year; the Committee on Finance and Accounts shall, no later than two and one-half months before the end of the preceding financial year, submit the Budget Estimates for each financial year to the Assembly with its recommendations; and the Assembly shall approve the Budget for each financial year no later than two months before the end of the preceding financial year; provided, however, that the Budget Estimates and the Budget for the first financial year shall be thus prepared, submitted and approved as soon as possible after the inception of the Agency.
- (b) In its examination of the Budget, the Committee on Finance and Accounts shall have power to examine the organization of the Agency and to make recommendations thereon to the Assembly.

ARTICLE 58

The Committee on Finance and Accounts shall advise with the Secretary General concerning the manner in which transactions shall be classified for the purpose of their inclusion in the Budget and in the Financial and Reparation Reports referred to below, and concerning the methods of presentation thereof most useful to the Assembly.

ARTICLE 59

The adoption of the Budget by the Assembly shall constitute an authorization to the Secretary General to incur expenditures for the purposes for which credits have been voted, up to the amounts so voted.

ARTICLE 60

- (a) Transfers from one Chapter of the Budget to another may be made only on the authority of the Assembly.
- (b) Payments in respect of transactions for which provision is made in the Budget of a particular financial year, and for which obligations are incurred before December 31 of that year, may be charged to the accounts of that year if they are made not later than January 31 of the following financial year.
- (c) Persons to whom any payment is due out of funds appropriated for any financial year shall be requested to submit their accounts in good time before January 31 of the following financial year, and shall, so far as possible, be tendered payment before that date.
- (d) There shall be included in the Budget for each year a fund to be designated as the "Unpaid Liabilities Fund" for the purpose of enabling the competent officials to make payments which are due, in respect of obligations incurred under the Budgets for previous financial years, but which could not be effected in time to be chargeable to such Budgets owing to unavoidable or excusable delays in the presentation or settlement of the accounts.
- (e) Creditors who, after their attention has been called to the provisions of this Article, neglect to present their accounts in time to allow payment by the prescribed date shall, if they cannot be paid out of the Unpaid Liabilities Fund without preventing payment therefrom of creditors who satisfy the requirements of sub-paragraph (c) above, be informed that their accounts cannot be paid until the necessary sums have again been voted by the Assembly.
- (f) Any Delegate or member of his staff who, as a result of his membership of a Committee of the Assembly or for any other reason, is called upon to incur travelling and out of pocket expenses outside the city of Brussels in order to carry out any duties with which he may have been specifically charged by the Assembly or a Committee of the Assembly, shall be entitled, upon submission of such data as may be prescribed by the Secretary General, to have such travelling and out of pocket expenses refunded by the Agency.

ARTICLE 61

A working capital fund shall be created to provide the funds necessary to cover unforeseen expenses during the financial year and to furnish a working balance in case unavoidable delays occur in the contribution from member Governments for the succeeding financial year. The Secretary General may utilise the fund for these purposes without specific authority. He shall report monthly to the Committee on Finance and Accounts all expenditure in respect of any chapter of the budget which is in excess of the amount authorised for that chapter.

The fund shall be contributed by member Governments in the same proportion as their contributions to the Agency's expenses. In the event of it being repaid in whole or in part it shall be refunded to member Governments in the proportions in which it was contributed.

ARTICLE 62

The Secretary General may place any funds not immediately required for use on deposit at interest with banks of internationally recognized standing for such periods as he may consider desirable.

PART IV. FINANCIAL ACCOUNTS AND REPORTS

ARTICLE 63

The Secretary General shall maintain accounts of the financial transactions of the Agency on a monthly basis.

ARTICLE 64

- (a) The Secretary General shall submit to the Assembly an annual Financial Report showing the receipts, expenditures, assets and liabilities of the Agency, and such other explanatory material as the Secretary General may deem necessary or the Committee on Finance and Accounts may require.
- (b) Not later than ten days after 30 June of each year, the Secretary General shall submit to the Committee on Finance and Accounts a financial report showing the actual expenditures and commitments incurred up to that date. After it has received and examined this report, the Committee on Finance and Accounts shall submit to the Assembly such observations and recommendations as it may think fit.

PART V. REPARATION ACCOUNTS AND REPORTS

ARTICLE 65

The Secretary General shall prepare a Quarterly Reparation Report, summarizing both the quantities and types of assets made available and those delivered as German reparation both during the preceding accounting period and during the whole period from the inception of the Agency to the date of the Report, and presenting any information he may have concerning future availabilities.

The Quarterly Reparation Report shall be presented in such form as will facilitate the preparation of the claims of member Governments and the comparison of actual deliveries with the quotas under the Paris Agreement on Reparation of January 14, 1946.

After consideration by the Committee on Finance and Accounts, the Quarterly Reparation Report, together with any comments by the Committee, shall be circulated to all Delegates.

ARTICLE 66

The Secretary General shall submit to the Assembly an Annual Reparation Report, showing information similar to that in the Quarterly Reparation Report in such detail as may be necessary.

PART VI. BOARD OF AUDIT.

ARTICLE 67

On the basis of a list submitted by the Secretary General, the Committee on Finance and Accounts shall, at the end of each financial year, submit recommendations to the Assembly for the appointment of a Board of Audit for the coming financial year, such Board to be composed of persons not in the regular service of the Agency or of any of the member Governments.

ARTICLE 68

The Board of Audit shall carry out such audits and investigations as may from time to time be required by the Assembly or the Committee on Finance and Accounts.

ARTICLE 69

The Board of Audit shall report to the Committee on Finance and Accounts, with copy to the Secretary General. After examination of the Board's report, the Committee on Finance and Accounts shall submit it, together with the Committee's recommendations, to the Assembly.

ANNEX V

LIST OF PLANTS MADE AVAILABLE TO AND ALLOCATED BY THE AGENCY AS AT 31 DECEMBER, 1948.

Notes: (1) Plants No. 1—999 inclusive, American Zone
 Plants No. 1000—1999 inclusive, British Zone
 Plants No. 2000—2999 inclusive, French Zone

(2) Residual values in terms of Reichsmarks (1938)

(a) Plants wholly or partially allocated by the Agency.

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value RM.
1	Kugelfischer Schweinfurt	Antifriction bearings	7.132.585,70
2	Bayerische Motoren- werke, Munich- Mulbertshofen	Aero-engines	14.839.106,62
4	Grosskraftwerke Mannheim	Power station	4.094.760,—
5	Kloeckner-Humboldt Deutz-Oberursel	Aero-engines	4.417.711,—
6	Fritz Mueller Esslingen, Neckar	Machine-tools	2.100.879,—
7	Boehmer & Kohle Esslingen, Neckar	Machine-tools	240.277,—
9	Hans Hensoldt Herborn-Dillkreis	Lenses and Optical instruments	344.980,—
12	Toeging A.-G., Innwerk Toeging, Inn	Hydroelectric power station	403.721,—
14	B. M. W. 2 Munich-Allach	Aero-engines	17.226.823,51
15	Fabrik Hess Lichtenau Fuerstenhagen	Chemical	7.130.503,—
17	Carl Borgward Bremen	Torpedo factory	431.864,—
18	Norddeutsche Huette Bremen	Metallurgical works	3.796.847,—
19	Index-Werke, Hahn Tessky, Esslingen	Machine-tools	1.703.302,—
20	Fabrik Kaufbeuren Kaufbeuren	Chemical	1.020.629,70

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
21	Fabrik Aschau Aschau, Muehldorf	Explosives	R.M. 2.663.505,—
22	Fabrik Ebenhausen Ebenhausen		3.050.394,29
23	Heeresmunitionsanstalt Strass Strass bei Gunzburg	Munitions	8.775,—
24	Deutsche Sprengchemie Geretsried Wolfratshausen	Shell loading	2.308.506,—
25	Munitions Plant Desching	Munitions	259.010,—
26	Anorgana Gendorf	Chemical	2.779.011,—
32	Westfaelische Anhaltische Sprengstoff-Allendorf	Explosives	16.953.208,—
33	Fabrik Wolfratshausen Wolfratshausen	Chemical	6.142.257,—
34	Fabrik München Munich	Detonators	2.000.287,—
35	D. A. G. Kaufering Kaufering, Landsberg	Chemical	3.215.429,—
36	Betrieb Eschenstruth des Fabrik Hess-Lichtenau Eschenstruth	Tools for processing and loading high explosives	744.081,22
37	Fabrik Bobingen der Ges. m. b. H., zur Ver- wertung Chemischer Erzeugnisse Bobingen	Explosives	1.544.622,93
38	Deutsche Sprengchemie Kraiburg, Inn	Chemical	5.496.792,—
39	Pulverfabrik Hasloch Hasloch a. Main	Chemical	173.659,—
40	Gustav Genschow & Co. Karlsruhe-Durlach	Ammunition plant	41.659,—
42	Dynamit A. G. Landsberg/Lech	Paper casings for armaments	33.206,—
43	Dynamit A. G. Nuernberg	Explosives	678.221,64

ARTICLE 41

A Committee on Inland Water Transport shall be elected. The Committee shall examine all questions relating to inland water transport referred to it by the Assembly. It shall also make recommendations to the Assembly with regard to the valuation and allocation of inland water transport, in the event that inland water transport becomes available as reparation to the member Governments.

ARTICLE 42

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In particular, the Committee shall make recommendations to the Assembly concerning general principles for the allocation of goods and services which have been or may be declared available as reparation, including goods to be delivered by the U.S.S.R. in accordance with Art. IV par. 4a of the Potsdam Declaration.

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The Committee shall examine all questions relating to German authors' rights and other German-owned artistic and literary property rights which may be referred to it by the Assembly or by the Committee on German External Assets.

ARTICLE 44

An Arbitration Commission shall be constituted for each of the questions on restitution submitted to the Agency under Article 2B of Part II of the Paris Agreement on Reparation of January 14, 1946.

Each Commission shall be composed of three members elected by the Delegates of the Governments interested in the question from among the Delegates of Governments not so interested; or, if agreement cannot be reached, by the Assembly.

Decisions of the Commissions shall require the agreement of at least two of the three members, and shall be final. Decisions shall be notified to the Secretary General, who shall communicate them to the Assembly at its next meeting.

CHAPTER XII. SECRETARY GENERAL AND SECRETARIAT

ARTICLE 45

The Secretary General of the Agency shall be the Secretary of the Assembly and of its Committees.

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The Secretary General shall also submit to the Assembly, each quarter, a report on the work accomplished during the preceding period.

He shall also submit to the Assembly any additional reports which the Assembly may require him to make, or which he may desire to submit.

ARTICLE 47

The Secretary General shall communicate to the Delegates lists of assets available for reparations as promptly as he receives them. He shall likewise communicate to them any other information concerning such assets as may be necessary to allow member Governments to formulate their claims.

He shall receive reparation claims from the Delegates. He shall communicate to each Delegate the claims transmitted to him by other Delegates as soon as he has received them.

He shall draw up Programs of Allocation after consultation with the Delegates and shall attempt to reconcile competing claims. He shall submit the Programs of Allocation to the Assembly with the least possible delay.

ARTICLE 48

The Secretary General shall maintain detailed accounts of assets available for, and of assets distributed as, German reparation.

ARTICLE 49

The Secretary General shall as far as possible keep the Delegates informed in regard to the progress of deliveries under reparation programs.

ARTICLE 50

The Secretary General shall represent the Agency in all financial, legal and other administrative matters, and in particular in matters of privileges, immunities and the like.

ARTICLE 51

The Secretary General shall receive, reproduce, translate and distribute the documents, reports and resolutions of the Assembly and its Committees. He shall supply interpreters for the meetings of the Assembly and its Committees. He shall further undertake the editing, reproducing and distribution of the minutes, of the meetings, and shall ensure the safe-keeping of documents in the archives of the Agency.

CHAPTER XIII.

GENERAL FINANCIAL AND ACCOUNTING RULES

PART I. GENERAL

ARTICLE 52.

The financial year of the Agency shall be the calendar year, provided that the first financial year shall be the period from the inception of the Agency until 31st December 1946.

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
107	Henschel Flugmotorenbau Kassel Ziegenhain	Aero-engine parts	R.M. 1.620.905,—
114	Junkers Flugzeug- u. Motorenw. Kassel-Bettenhausen	Aero-engine parts	1.198.096,—
122	Kloeckner-Humboldt - Deutz A. G. Werk Ulm	Motor vehicles	1.000.822,—
123	W. & W. Schenk Leichtgusswerk K. G. Maulbronn	Aluminium and brass castings	153.833,—
124	Focke Wulf Flugzeugbau Bremen	Motors	942.500,—
129	Kurhessischer Schieferbergbau, Sondtra	Production of copper mate	89.633,—
130	V. D. M. Heddernheim, Hesse	Rollings and extension of light metals	1.974.304,—
134	Elektrochemische Werke Munich	Chemical: concentrated hydrogen peroxyde	33.684,—
135	Chem. Werke V. Transche Gersthofen	Chemical: hydrazine hydrate	1.610.061,—
174	Heinrich Diel Rotenbach	Rollings and extension of light metals	2.498.168,50
189	Elektron Wurtemberg	Light alloy Castings	608.601,—
203	Alexander Wacker Burghauser	Chemical: plastics and solvents	74.505,—
205	Gerhard Fieselerwerke Kassel	Aircraft	48.587,—
206	Gerhard Fieselerwerke Frankenberg/Elbe	Aircraft	38.716,—
208	Gerhard Fieselerwerke Lohfelden	Aircraft	329.249,—
209	Gerhard Fieselerwerke Monchenhof	Aircraft	76.265,—
211	Junker Werke Veckerhagen	Aircraft	419.122,—
212	Messerschmitt Oberammergau	Aircraft	426.698,—
213	Messerschmitt Straubing	Aircraft	73.367,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
215	"Weser" Flugzeugbau G. m. b. H. Werk Farge, Bremen	Aircraft components and medical appliances	R.M. 145.083,07
218	Alderwerke vorm. Kleyer Frankfurt	Motor cars	2.578.832,—
255	Fulmins Werke Mannheim Wurtemberg	Industrial ovens	72.111,07
260	Geissler Munich	Machine-tools	327.231,—
276	Herkules Werke Nurnberg	Motor cars	55.757,—
281	Hommel Werke Mannheim- Wurtemberg	Machine-tools accessories	808.643,—
282	Vorrichtungsbau Hueller Wurtemberg	Small tools	81.751,—
292	Kiefer Maschinenfabrik Stuttgart		172.785,—
294	Klein Oberesslingen Wurtemberg	Pneumatic equipment	166.232,—
297	Kodak Werk Einsingen	Phototechnics	496.923,—
301	Krupp Geisenheim	Pneumatic equipment	498.839,—
306	Leistritz Mafs. Nurnberg	Pumps	302.899,—
312	Mahler Esslingen	Industrial ovens	50.146,—
319	Maschinenfabrik Beilhack, Rosenheim	Engine components	332.963,—
331	Maschinenfabrik Wiesbaden	Steel constructions	170.604,12
333	Maurer Munich	Steel constructions	158.741,—
336	Moissner and Wurst Stuttgart	Pumps and compressors	39.903,—
345	Mueller and Wagner Wallau	Mechanical Plant	131.898,—
352	Ortlieb Esslingen	Machine-tools	276.273,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
371	Rohleder Kesselschmiede Stuttgart	Boilers and accessories	RM. 17.723,—
376	Saeuferer and Co. Plochingen	Machine-tools	87.068,—
380	Schiels-Eselborn	Pumps and compressors	106.582,—
381	Schiesser Nurnberg	Mechanical Plant	25.900,38
384	Schmidt & Schaudt Stuttgart	Machine-tools	402.952,—
385	Schmidt & Sohn Nuernberg	Material handling equipment	94.928,—
397	Stiefelmayer Esslingen	Measuring apparatus	455.690,—
403	Stoehr Offenbach	Material handling equipment	203.170,—
411	Ultrapraezisions Werk-Aschaffenburg	Machine-tools	258.866,—
414	Gebrueder Wagner Stuttgart	Boilers and access.	131.211,—
421	Ad. Zaiser Wurtemberg	Lifting apparatus	90.614,—
433	Continental Metall A. G., Oberursel	Aircraft parts	131.524,—
434	Continental Metall A. G. Heddernheim	Aircraft parts	126.860,—
435	Continental Metall A. G. Gravenwisbach	Aircraft parts	1.270.922,—
436	Continental Metall A. G. Gross Auheim	Aircraft parts	1.138.662,—
438	Luftfahrtgeraetebau, Gebr. Hage Stuttgart Vaihingen	Aircraft parts	44.259,—
439	Hans Klemm Flugzeugbau Boeblingen	Aircraft parts	111.142,—
440	Elma G. m. b. H. Waiblingen	Aircraft parts	254.998,50
441	Messerschmitt Augsburg	Aircraft parts	257.417,—
442	Messerschmitt Garmisch	Aircraft testing laboratory	172.425,70
443	Kalle & Co. Wiesbaden	Chemicals: Methylcel- lulose	170.896,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
464	Deutsche Pyrotechnics Fabrik Cleeborn	Pyrotechnic Products	R.M. 54.129,—
479	Kopp & Co. Munich	Chemicals: Soap Products	11.329,—
504	Fraenkische Eisenwerke Niederscheld	Steel Plant: converter	9.422,—
505	Theodor Klatta Bremen	Aircraft parts	270.079,—
510	Saline Ludwigshall Bad Wimpfen	Chemicals: Sodium and aluminium fluoride	27.483.—
1001	Waldrich Siegen	Machine-tools	1.829.359,—
1002	Schiess A. G.	Machine-tools	2.962.178,—
1003	Wagner & Co. Dortmund	Machine-tools	1.180.267,—
1004	Blohm & Voss Hamburg	Ship building	6.487.992,30
1007	Gutehoffnungshütte Düsseldorf	Steelworks, foundry, forge manufacture of oil well drilling equipment	8.973.266,—
1009/4	Krupp Essen	Mechanical engineering	2.741.377,—
1009/5	Krupp Essen	Construction of machines	3,965.573,—
1009/7	Krupp Essen	Moulding and steel casting	2.954.896,—
1009/8	Krupp Essen	Mechanical and tool manufacturing workshop	2.535.045,—
1009/9	Krupp Essen	Forging press works	1.498.527,—
1009/11	Krupp Essen	Siemens Martin steel works	1.368.198,—
1009/12	Krupp Essen	Armour plate mill, pressing and drawing plant	2.843.988,—
1009/14	Krupp Essen	Agricultural machine & fuse shop, foundry	410.644,—
1009/15	Krupp Essen	Heat treatment	1.066.025,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1009/18	Krupp Essen	Machine & welding shop	56.350,—
1009/20	Krupp Essen	Light Railway, rolling stock.	20.795,—
1009/26	Krupp Essen	Tire (rolling) mill	961.435,38
1009/33	Krupp Essen		330.018,—
1010	Kurbelwellenwerke n. Hamburg	Crankshafts	6.146.001,—
1011	Metallwerke Neuengamme n. Hamburg	Small arms	1.383.483,—
1012	Hanseatisches Kettenwerk Hamburg-Langenhorn	Munitions	2.762.697,85
1014	Norddeutsche Dornier- werke No. 2: Lübeck	Aircraft parts	207.571,—
1015	Norddeutsche Dornier- werke: Lübeck	Aircraft parts	196.239,44
1016	Richard Rinker Menden	Metal smelting and founding	982.695,—
1017	Metallwerke Wolfenbuttel	Machinery	1.591.591,—
1018	Eibia Ltd. Bomlitz	Chemical	10.380.176,—
1019	Eibia Ltd. Dorverden	Chemical	2.939.573,—
1020	Eibia Ltd. Wolf & Co., Liebenau	Chemical	5.279.969,—
1021	Dynamit A.G. Dunaberg	Explosives	7.021.477,—
1022	Dynamit A.G. Krummel	Explosives	21.208.620,67
1023	Waaren Commission A.G. Dragahn, Dannenberg	Explosives	2.240.714,—
1024	Clausthal Zellerfield	Chemical	10.063.065,43
1025	Heeresmunitionsanstalt Ahrbergen	Loading of shells and hand grenades	201.168,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1026	Hans Moog Ronsdorf	Pyrotechnical	R.M. 20.160,54
1028	Marine Sperrwaffen- arsenal, Soltau	Armaments	68.620,—
1029	Heeresmunitionsanstalt Lehre	Shell loading	518.457,—
1030	Heeresmunitionsanstalt Grasleben Helmstadt	Munitions	125.875,—
1031	Lufthaupmunitions- anstalt, Hambueren / Hannover	Munitions	945.542,—
1032	Heeresmunitionsanstalt Lockstedter-Lager	Shell loading	174.281,50
1033	Heeresmunitionsanstalt Bodenteich	Shell loading	153.609,—
1034	Fuellenstalt Clauen	Shell loading	166.756,—
1035	Heeresmunitionsanstalt Godenau / Ahlfeld	Munitions	PM
1036	Lufthaupmunitions- anstalt Nienburg- Langendamm	Munitions	535.335,—
1037	Heeresmunitionsanstalt Scheuen	Shell loading	27.531,75
1039	Chemische Werke Marzwesen, Langelsheim	Chemical	1.358.186,50
1040	Stuhlrohrfabrik Hamburg-Bergedorf	Metal chairs	41.631,—
1044	V.D.M. Halbzeugwerke Leverkusen- Küppersteg	Detonators	13.814,—
1048	Deutsche Waffen Schlutrup	Ammunition	3.939.964,—
1049	Burmester Trittau Gustav Burmester Trittau nr. Kellenberg	Pyrotechnics	15.853,—
1050	Munitionsanstalt Lenglern, Hannover	Aero-ammunition	12.657,—
1051	Kriegsmarine Arsenal Tannenhausen	Shells	621.511,—
1054	Dynamit A.G. Hannover	Ammunition	450.561,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1055	Blohm & Voss Hamburg	Aircraft spare parts	R.M. 336.257,—
1056	Blohm & Voss Wensendorf nr. Buchholz	Aircraft	152.899,—
1058	Blohm & Voss Hamburg	Lathes and other machines	58.942,—
1060	Blohm & Voss Hamburg-Altona. Bahrenfeld	Aircraft parts	78.227,—
1062	Peschke Flugzeug Werkstaetten, Hinden	Aircraft repair	74.969,—
1067	Espenlaub Flugzeugbau Düsseldorf	Aircraft repair and gliders	825.772,83
1071	Polte-Werke Duderstadt	Shells	3.475.260,—
1072	Metallwerke Odertal G. m. b. H. Odertal	Ammunition	381.727,—
1073	Walter Ahrensburg	Torpedos	580.359,—
1074	Atlas Werke Elmshorn	Submarine detective apparatus	110.132,—
1075	Holsteinische Maschinenbau Kiel	Torpedos and Diesel engines	3.313.669,—
1081	Continental Metall A. G. (V. D. M.) Hamburg-Bahrenfeld	Aircraft propellers	67.926,—
1082	Deutsche Messapparate Hamburg	Measuring instruments	1.018.083,—
1083	Avia Fabrik für Luft- fahrtbedarf G.m.b.H. Hamburg	Machinery	60.787,—
1084	Wiking Werkstaetten Flensburg-Neustadt	Aircraft parts	14.185,—
1085	Bohn & Khaler A. G. Ascheberg	Aircraft engine parts	280.297,—
1086	Anschütz & Co. G. m. b. H. Feinmechanische Werke Bellin Kiel	Gyro equipment	127.715,45
1087	Feinmechanische Werke Howacht (Anschütz) Howacht Kiel	Gyro equipment	487.349,71

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1088	Anschütz & Co. G.m.b.H. Kiel Huenuehlen	Gyro equipment	365.198,88
1089	Anschütz & Co. G.m.b.H. Selent works Landeszugdheim- Selent	Gyro equipment	7.536,68
1090	Phoenix G. m. b. H. (Anschütz): Eustin	Gyro equipment	49.565,12
1092	Vereinigte Deutsche Metallwerke (Halbzeugwerke) G. m. b. H. Hildesheim	Aircraft parts	2.090.246,—
1094	Schelter & Gieseck A. G. Marie Glück Salt Mine, Hofer	Aircraft parts	237.784,—
1097	Baehre & Graten Springe nr. Hannover	Metalwork for furniture	94.451,95
1098	Bohn & Kahler A. G. Ascheberg Kiel	Parts of gear type fuel pumps	147.441,60
1099	Union Gesellschaft für Metallindustrie Sils vander Loo, Hammeln	Engine components	2.484.278,61
1100	Helmstedter Maschi- nenbau A.G.(Helmag) Helmstadt	Aircraft parts	58.728,—
1102	“Messap” Deutsche Messapparate G. m. b. H. Utersen	Machine - tools	162.033,—
1104	Land und See Leichtbau G.m.b.H. Werke Kiel No. 2 Works Kol- lonnen Weg Kiel	Aircraft sheet metal	52.663,66
1106	Nordmark Geraetebau Ernst Horn Boklund	Aircraft valves	1.967,—
1108	Betrieb Kagel (Verei- nigte Leichtmetall Hannover) Langenrich	Aircraft parts	594.496,—
1109	Ludwig Hanser & Co., Muenster	Aircraft repairs	150.032,—
1110	Luther & Jordan Werk I Braunschweig	Aircraft assembly & testing	225 133,—
1111	Bessert, Nettelbeck & Mertens, Hammeln	Aircraft parts	30.609,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1112	Hans Gunter Moller Delmenhorst	Aircraft parts	RM. 77.357,—
1114	Luther & Jordan Werk II Bienrode	Aircraft assembly & testing	20.968,—
1116	Luther & Jordan Werk IV Bahnhofstrasse, Braunschweig	Aircraft assembly & testing	9.986,—
1117	Bussing NAG Flugmo- torenwerk - Braunschweig	Aero engines	7.894.285,—
1119	Brinker Eisenwerke Langenhagen - Hannover	Aircraft repairs	117.602,—
1122	Theodor Klatte Braul, Emsland	Aircraft parts	23.247,—
1126	Maschinen für Massen- verpackung - Luebeck	Shell cases	6.632.221,—
1128	Pinnau Werke Utersen Utersen	Gasmask filters	1.899,—
1180	Veltrup War Prison, Münster	Machine gun barrels, oil pumps.	639.853,25
1181	Union Sils van der Loo War Prison, Münster	Fuses	631.111,—
1182	Schneider Optische Werke Goettingen	Cameras & telescopes lenses	340.083,—
1184	Louis Gabler & Co. Peine	Munitions	28.057,—
1187	Bergische Markisches Eisenwerk, Velbert	Munitions	1.592.297,—
1188	Oskar Schneider & Co., Leichlingen / Rheinl.	Machinery	36.999,—
1189	Bismarck Werke A. G. Wuppertal Ronsdorf	Munitions, radar	74.520,—
1140	Karges Hammer, Gifhorn	Tank and gun parts	595.393,—
1147	Rheinmetall - Borsig Kreis Celle	Guns	947.620,—
1149	Engelhardt & Foerster Hohenaverbergen - Hannover	Laundry machinery	36.478,—
1151	Maschinenfabrik Niedersachsen - Hannover	Crankshafts and gear boxes for tanks	152.316,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1152	Gewehr Fabrik H. Burgsmueller & Söhne G. m. b. H. Kreensen	Munitions	R.M. 469.910,40
1158	Tönshoff G. m. b. H., Horn	Munitions	1.371.402,29
1159	Wittener-Maschinenbau Witten-Ruhr (Westf.)	Shells	484.453,—
1164	Oldenberger Leicht- metall G. m. b. H. Oldenberg	Sheet metal	81.349,—
1169	Land und See Leicht- bau G. m. b. H. (Nord- deutsche Lederwerke) Neumünster	Aircraft	25.328,-
1170	Land und See Leicht- bau G. m. b. H. No. 9 N., Rendsburg	Aircraft	20.485,-
1171	Land und See Leicht- bau G.m.b.H., No. 1 N Neumünster	Aircraft	144.952,—
1172	Land und See Leichtbau G. m. b. H., No. 3 N Neumünster	Aircraft repair and flight testing	10.693.89
1173	Land und See Leichtbau G. m. b. H. No. 8 N Schleswig	Aircraft parts	158.028,04
1174	Emil Schülz Engine Works, Kiel	Aircraft parts	29.045,—
1176	Aero-Stahl.Fluggeraete- bau G. m. b. H., Köln	Aircraft parts	301.560,54
1186	Feinmechanische Werk- stätten (Wilhelm Leh- mann & Co.) Hamburg Schnelsen	Aero-engine parts	943.441.—
1187	F. Meyer u. Soehne Luetjenburg	Agricultural machinery repairs	21.014,—
1189	Gebr. Becker Honnef, Wuppertal- Wielinghausen	Aircraft parts	216.421,68
1190	Burcke A. G., Wipperfuerth	Munitions	3.485.615,24
1194	Leichtmetallbau Schultze, Bahrenfeld	Aircraft parts	41.931.—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1195	Ernst Pump Werkstätten für Präzisions-Mechanik, Hamburg	Aircraft parts	RM. 51.763,—
1202	Bochumer Verein A. G. Bochum	Machinery	1.594.875,—
1203	Pommersche Motorenwerke G. m. b. H. Rissen Hansestadt	Aircraft parts	221.756,—
1212	Friederich Christoffers Delmenhorst	Valves for speed boats and mine-sweepers	92.280,—
1243	Hamburger Metallwerke von Georg Dittmann Hamburg Billbrookdeich	Munitions	846.181,—
1246	Geschiessfabrik Bochumer Verein, Bochum	Munitions	6.608.201,30
1253	Metallwerke Sperrluttertal, St. Andreasberg	Munitions	420.116,—
1257	Alfred Berning Maschinenbau A. G., Schwelm	Aircraft and motor spares	330.305,—
1258	Land und See Leichtbau G. m. b. H. No. 2 N Neumünster	Aircraft parts	12.169,—
1260	Deutsche Linoleumwerke A. G., Lübeck	Aircraft repair	17.712,—
1268	Maschinenfabrik Hans Lutz Hamburg Billstedt	Ship and aircraft parts	75.801,—
1291	Metallwerk Wandhofen Schwerte	Munitions	14.358,—
1293	Dortmunde Hoerde Dortmund	Guns, tanks and shells	11.166.890,—
1294	Weserhuette A. G., Weserstollen Bad-Oeynhausen	Munitions	360.238,38
1336	Spandauer Stahlindustrie G. m. b. H., Berlin, Spandau	Steel plant	483.287,—
1375	Weser Metall Industrie (formerly Weserflugzeugbau), Achim	Machine-tools	110.110,35

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1377	Johann Ploen Pensionshaus Schierhorn	Aero and marine engine parts	R.M. 16.976,—
1381	Luftmunitionsanstalt . Rickau	Munitions	115.478,—
1382	Land und See Leichtbau No. 11, Neumünster	Aircraft parts	18.892,—
1386	Baronia Fahrzeugfabrik Heidemann & Co., Bielefeld	Aircraft parts	17.353,—
1387	Wilhelm Bormann		78.942,—
1388	Haendler & Natermann A. G., Hannover Munden	Aircraft parts	5.661,—
1389	Arntzen Leichtbau A. G. Brackwede Bielefeld	Aircraft parts	162.693,19
1392	W. Eduard Puck Carolinenstrasse Hamburg	Aircraft parts	1 388,42
1393	Theodor Klatte Weener Emsland	Aircraft parts	396.792,—
1396	Walther Finger Maschinenfabrik Metallbau, Werstedt	Aircraft parts	18.260,—
1397	Gewerkschaft Beharrlichkeit Bohmte	Aircraft parts	36.921,—
1398	Land und See Leichtbau G. m. b. H., No. 1 K Kiel Hassee	Aircraft parts	160.464,74
1399	Land und See Leichtbau G. m. b. H., No. 4 N Neumünster	Aircraft parts	4.143,—
1401	Grassmann & Co. Bielstein	Aircraft parts	78.114,—
1402	Eltron-Werke Holzminden	Aircraft parts	357.059,—
1405	Beyer & Klophaus G. m. b. H., Schwelm	Aircraft parts	5.898,—
1408	A. Frankewerke A. G. Twistringen	Aircraft parts	96.521,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1409	Weser Metallindustrie Delmenhorst	Aircraft parts	R.M. 76.167,—
1431	Vereinigte Leichtmetallwerke — Linden	Light alloys semi-products	4.824.621,—
1463	Focke Achgelin (Weser Metall) Delmenhorst (formerly Weser Flugzeugbau G. m. b. H.) Hoykenkamp	Helicopter and boat equipment	64.184,— *
1473	Hans Preiss G. m. b. H. Hameln	Munitions	92.114,—
1475	O. Rittinghausen & Sohn Vosswinckel	Machine-tools	70.010,—
1476	Surenbrock, Paul G. m. b. H., Hamburg	Munitions	95.616,70
1480	Max Reutsch Maschinen- und Zahnradfabrik Hamburg	Bearings	76.277,—
1482	Sprengstoffuellbaulage Dethlingen-Münster Lager	Munitions	152.477,—
1494	Fritz Hussemann Gutersloh	Munitions	61.369.50
1638	Eisenwerke Weserhuette Bad Oeynhausen	Mining equipment	1.677.473,—
1639	Lippstadter Eisen- u. Metallwerke Lippstadt	Ammunition and aircraft parts	2.768.348,—
1643	Espera Werke Wanne-Eickel	Weighing machines	66.490,=
1645	Lorenz Escherhausen	Electrical armaments appliances	95.086,—
1683	Achenbach Plettenberg-Ohle	Boilers	36.437,—
1692	Berrenberg Haan	Presses, shears	133.795,64
1696	Boecker Koeln-Kalk	Lathe winches & conveyors	36.879,—
1706	Deutsche Hebezeug-fabrik Düsseldorf	Cranes	249.420,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
			RM.
1710	Dortmunder Union Gelsenkirchen	Boilers & conveyors	117.462,—
1718	Geier-Werke Lengerich	Stone crushing and screening machines	10.574,—
1734	Heider Weidenau	Sheet metal goods	865.835,—
1738	Hese Ernst Herten	Mining equipment accessories	85.802,—
1739	Hettner Bohrmaschinenfabrik Muenstereifel	Machine-tools	176.637,—
1752	Knapp Wanne-Eickel	Winches, conveyors	100.902,—
1762	Lauf, Bungert u. Winneberg Muelheim-Ruhr	Winches, cranes	41.311,—
1764	Lob Albert Dusseldorf	Boilers accessories	68.534,—
1765	Lodige Paderborn	Metal goods	16.913,—
1770	Messerfabrik Remscheid	Machine knives, press moulds	47 936,—
1771	Muehleisen Wuppertal	Lifts and winches	36.906,—
1776	Pollrich Muenchen-Gladbach	Blowers	16.685,—
1783	Roehren & Schweiss- werke, Herne	Welded pipes	238.195,—
1787	Scharmann Rheydt	Machine-tools	134.760,—
1793	Schulte Plettenberg	Metal goods	202.603,—
1796	Siebeck Ratlingen	Bearing	76.908,—
1813	Wagner Laesphe	Foundry equipment	89.713,—
1831	Danzigerwerft Hamburg	Pipes & farm machinery	31.939,—
1838	Rose Hamburg	Valves & taps	36.536,—
1842	Plath Hamburg	Gyrocompass	124.953,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
2002	Aluminium Werke Tscheulin, Tenningen	Aluminium Wares	R.M. 1.015.058,—
2005	Arms Factory, Mauser & Co., Oberndorf	Small arms	8.835.901,—
2009	Robert Bosch Sulz	Electrical and mechanical equipment	192.646,—
2010	Sueddeutsche Dornier-werke Manzell Friedrichshafen	Aircraft parts	41.564,—
2011	Sueddeutsche Dornier-werke, Konstanz	Aircraft parts	45.082,—
2013	Sueddeutsche Argus-werke, Baden-Baden	Aircraft parts	103.653,-
2016	Sueddeutsche Argus-werke, Pfullendorf	Aircraft parts	68.720,—
2017	Stahlwerke Reutlingen	Steelworks	35.455,—
2018	Paul Haussler Konstanz	Machinery	92.952,—
2020	Luftschiffbau Zeppelin Friedrichshafen	Aluminium dairy equipment	157.613,23
2022	Dinawerke Mayer & Grammelpaker Rastatt	Small arms	150.573,—
2023	Hansa Metallwerke Gauel-Genselfingen	Machinery	39.821,57
2026	Maybach-Motorenbau Friedrichshafen	Motors for lorries and cars	1.480.383,75
2027	Ottavi Minex Blumberg	Vanadium production	620.427,50
2028	Degussa Rheinfelden	Beryllium and beryllium salts production	159.284,—
2029	Kopperschmidt Blumberg	Plexiglass components	342.362,—
2030	Welsert Bleialf	Armaments & Aircraft	184.078,
2031	Visc-Bosch Treis	Sparkling plugs	21.820,
2033	Dornier Rickenback	Aircraft parts	39.231,-
2034	Dornier Wangen	Aircraft parts	158.773,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
2035	Dornierwerke Ruersdorf	Aircraft	R.M. 5.885,—
2036	Dornierwerke Niesdorf	Aircraft	44 517,—
2037	Dornierwerke Wasseburg	Aircraft	3.420,—
2045	Rheinmetall Borsig Berlin-Tegel	Armaments	2.336.718,—
2075	I.G. Farben Rottweil	Explosives	198.280,—
2077	Dornierwerke Langenargen	Aircraft	16.156,—
2109	Dynamit Hamm	Detonators	94.697,—
2134	Gebruder Schaffler Berlin-Reinickendorf	Shells	25.692,—
2137	Maget Berlin-Tegel	Machine-guns	202.137,—
2151	Beutler Lahr	Chemicals: activated carbon	163.341,—
2152	Chem. Fabrik Weinheim Ingelheim	Chemicals: activated carbon	136.116,—
2205	Beutler Lahr	Mechanical engineering workshop	97.948,—
2234	Fahrion Bitz Ebingen	Tools	81.999,—
2235	Fichter u. Hackenjos Vellingen	Clock-making	94.790,—
2242	Genkinger Munzingen	Lifting apparatus	21.252,—
2256	Hegner Schwenningen	Machine-tools	50.707,—
2260	Hermle Gosheim	Clock-making	245.104,—
2265	Jackle Schwenningen	Clock-making	146.507,—
2299	Mahrer Balingen	Pumps & compressors	17.816,—
2310	Pollux Ludwigshafen	Precision engineering	33.588,—
2338	Stotz Weingarten	Pumps & compressors	23.791,—
2365	Wurtner Schwenningen	Clock-making	14.194,—

(b) Plants made available by the A. C. A. but not yet allocated by the Agency.

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1052	Heeresmunitionsanstalt At. Burbach- Volpreihausen	Shell filling	RM. 275.815,—
1077	Maschinenfabrik Niedersachsen- Hannover	Guns and tanks	734.122,—
1078	Lonalwerke Leese	Chemicals, poison gas	2.548.670,—
1079	C. F. Hahnenberg Leese	Chemicals, poison gas	3.358.770,—
1096	Rheinmetall Borsig Düsseldorf	Components for railway locomotives	6.368.270,—
1107	Franz Kaminski	Repair of railway equipment	406.638,—
1135	F. Krupp Langenhagen	Bridges, U. boat sections	697.618,—
1154	Stahlwerke Roechling Buderus A. G. Mehle b. Elze h. n.	War plant: torpedoes propellor shafts etc.	122.992,—
1210	Kriegsmarine Arsenal Kiel	Maintenance of naval equipment	586.719,—
1236	Metallwerke Silberhütte G. m. b. H. St. Andreasberg Hannover	War plant: munitions	214.926,—
1242	Duerko Maschinen Bielefeld	Anti-aircraft gun carriages	2.691.079,—
1297	Berlin-Lübecker Maschinenfabrik Lübeck	Small arms	2.706.777,—
1318	Boehne Mindern	Ball bearings	1.920.150,—
1410	Otto Schickert & Co. K. G., Rhumspringe Harz	Concentrated hydrogen peroxide	10.349.543,—
1411	Otto Schickert & Co. K. G., Bad Lauter- berg — h. n.	Concentrated hydrogen peroxide	12.728.569,—
1481	Torpedo-Versuchs- anstalt Bordy	Torpedoes	1.548.500,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
1489	Ruhrstahl Witten-Ruhr	Pumps-machines for pipes	R.M. 101.386,—
1527	I. G. Farben Uerdingen N. Rh. Westf.	Synthetic resins	116.470,—
1642	Hanseatische Lehrenbau G. m. b. H. Hamburg-Bergedorf	Gauges, loading- gauges and matrices (dies)	189.045,—
1697	Boucke & Co. Halver, N. Rh. Westf.	Tins for food preserves and accessories for automobiles & bicycles	616.126,—
1736	Held Duisburg-Hamborn	Boilers	16.378,—
1741	Hulsbeck & Furst Velbert, N. Rh. Westf.	Door-locks and auto- mobile accessories	213.407,—
1760	Krumm & Co. Remscheid-Viering- hausen N. Rh. Westf.	Forged and stamped parts	383.189,—
1786	Schaefer Recklinghausen	Pipes	9.601,—
1832	Deicke & Kropper- schmidt, Hamburg	Central heating installations	13.939,—
1835	Menck & Hambock Hamburg	Equipment for building road construction	136.416,—
1841	Accumulatoren-Fabrik Hannover	Accumulators	1.775.210,—
1843	Blumberg & Co. Lintorf, N. Rh. Westf.	Caps for children's toy pistols	3.324,—
2133	Funkstrahl Konstanz	Radio equipment	216.418,—
2145	Remynolwerke Bendorf	Chemicals: minium	18.970,—
2150	I. G. Farben Ludwigshafen	Products for textiles and leather	88.037,—
2154	Knoll Ludwigshafen	Chemicals: alkaloids	94.896,—
2157	I. G. Farben Ludwigshafen	Chemicals: formal- dehyde	267.686,—
2162	I. G. Farben Ludwigshafen	Chemicals: hexa- methylene diamine	25.123,—
2168	I. G. Farben Ludwigshafen	Chemicals: pyrrolidone	1.386,—

No. of Plant	Name and Location	Nature of Plant	A. C. A. Residual Value
2187	I. G. Farben Ludwigshafen	Chemicals: amino-sulphonic acid	R.M. 5.305,—
2193	I. G. Farben Ludwigshafen	Chemicals: sulphurous anhydride	34.000,—
2197	I. G. Farben Ludwigshafen	Chemicals: aluminium chloride	33.092,—
2199	I. G. Farben Oppau	Chemicals: formamide	61.018,—
2257	Heinemann St. Georgen	Machine-tools	192.181,—
2271	Junghans Schramberg	Clock-making	877.390,—
2274	Kaiser Uhren Fabrik Villingen	Clock-making	381.818,—
2276	Kern, Hugo Schramberg	Clock-making	10.754,—
2345	Uhrenmuller Mulheim	Clock-making	330.081,—
2352	Wafios Reutlingen	Machine-tools	124.514,—
2356	Montanwerke Tubingen	Tools	37.484,—
2377	Saba Villingen	Electronics	60.680,—
2378	Bauerle St. Georgen	Clock-making	34.846,—
2383	Morat Johan Eisenbach	Clock-making	56.481,—
2388	Junghans Schramberg	Clock-making	PM.

ANNEX VI

SUMMARY OF PLANTS ALLOCATED CLASSIFIED BY COUNTRIES AND TYPES

The classification of plants in this Table follows as closely as possible that employed by the Allied Control Authority in specifying plants in the new list.

In a limited number of cases, where insufficient information is available, uncertainty exists as to the most appropriate heading under which to show a plant. This applies particularly to certain of the smaller war plants.

In a few cases there is also uncertainty under which heading to classify plants adapted during the war for the manufacture of products differing from those produced before the war.

Values debited to Category "B" accounts in thousand R. M. (1938) ^s

Country	Type of Plant	Whole Plants		Part Plants		Total	
		No.	Value	No.	Value	No.	Value
ALBANIA							
	Iron and steel production			1	16	1	16
	Non-ferrous metals industry			2	29	2	29
	Electric power stations			1	4	1	4
	Shipbuilding			1	14	1	14
	Mechanical Engineering:						
	Machine-tools	1	317			1	317
	Other products			17	221	17	221
	War Plants:						
	Chemical	1	31	23	1,474	24	1,505
	Engineering and armaments			36	283	36	283
	Airframes	1	19	25	130	26	149
	Aero-engines and accessories			4	77	4	77
	TOTAL	3	367	110	2,248	113	2,615

^s This table does not include items allocated under the British and French Emergency Delivery Schemes (total value R. M. 34,692,000 at 31 December 1948). All values shown are adjusted to the nearest R. M. 500.

* Less than R. M. 500.

Country	Type of Plant	Whole Plants		Part Plants		Total	
		No.	Value	No.	Value	No.	Value
AUSTRALIA							
	Electric power stations			1	319	1	319
	Shipbuilding			1	3	1	3
	Mechanical Engineering:						
	Ball-bearings			1	195	1	195
	Other products	1	245	7	2,620	8	2,865
	War Plants:						
	Chemical	1	38	12	1,129	13	1,167
	Engineering and armaments			28	786	23	786
	Airframes	1	77	15	141	16	218
	Aero-engines and accessories			10	1,148	10	1,148
	TOTAL	3	360	70	6,341	73	6,701
BELGIUM							
	Iron and steel production			3	36	3	36
	Non-ferrous metals industry			2	29	2	29
	Electric power stations			2	232	2	232
	Shipbuilding			1	191	1	191
	Instruments			1	*	1	*
	Mechanical Engineering:						
	Machine-tools	5	1,043	3	10	8	1,053
	Ball-bearings			1	206	1	206
	Other products	8	884	17	2,087	25	2,971
	War plants:						
	Chemical	3	48	18	2,493	21	2,541
	Engineering and armaments	2	944	28	1,685	30	2,629
	Airframes	8	648	27	757	35	1,405
	Aero-engines and accessories	4	322	17	648	21	970
	TOTAL	80	3,889	120	8,874	150	12,263
CZECHOSLOVAKIA							
	Iron and steel production			3	814	3	814
	Non-ferrous metals industry			1	1	1	1
	Shipbuilding			1	2	1	2
	Chemicals			2	482	2	482
	Mechanical Engineering:						
	Machine-tools			2	2,982	2	2,982
	Ball-bearings			1	1,852	1	1,852
	Other products	2	57	14	4,112	16	4,169
	War plants:						
	Chemical	1	44	26	9,735	27	9,779
	Engineering and armaments			32	1,847	32	1,847
	Airframes			40	663	40	663
	Aero-engines and accessories			17	3,908	17	3,908
	TOTAL	3	101	139	26,398	142	26,499†

Includes the equivalent of RM. 1,168,000 to be paid in Czechoslovak national currency.

Country	Type of Plant	Whole Plants		Part Plants		Total	
		No.	Value	No.	Value	No.	Value
DENMARK							
	Iron and steel production			1	9	1	9
	Non-ferrous metals industry			1	2	1	2
	Electric power stations			1	8	1	8
	Shipbuilding			1	101	1	101
	Chemicals			1	*	1	*
	Mechanical Engineering:						
	Machine-tools			1	6	1	6
	Other products			9	139	9	139
War Plants:							
	Chemical			11	159	11	159
	Engineering and armaments			22	368	22	368
	Airframes			21	182	21	182
	Aero-engines and accessories			18	340	18	340
	TOTAL			82	1,264	82	1,264
EGYPT							
War Plants:							
	Engineering and armaments			1	579	1	579
	Airframes	1	28			1	28
	TOTAL	1	28	1	579	2	607
FRANCE							
	Iron and steel production			2	307	2	307
	Non-ferrous metals industry	2	768	3	81	5	849
	Electric power stations	1	4,095			1	4,095
	Shipbuilding			1	698	1	698
	Chemicals	1	34	3	983	4	1,017
	Instruments	2	450	1	10	3	460
	Mechanical Engineering:						
	Machine-tools	1	11			1	11
	Ball-bearings			1	3,499	1	3,499
	Other products	6	1,502	13	4,132	19	5,634
War Plants:							
	Chemical	2	1,824	20	24,849	22	26,673
	Engineering and armaments	4	788	33	7,235	37	8,023
	Airframes	3	719	34	1,414	37	2,133
	Aero-engines and accessories	7	856	19	10,504	26	11,360
	TOTAL	29	11,047	180	58,707	159	64,754

Country	Type of Plant	Whole Plants		Part Plants		Total	
		No.	Value	No.	Value	No.	Value
GREECE							
	Iron and steel production			2	239	2	239
	Non-ferrous metals industry			2	10	2	10
	Electric power stations			1	11	1	11
	Shipbuilding			1	110	1	110
	Instruments	1	497	1	35	2	532
Mechanical Engineering:							
	Machine-tools	1	34			1	34
	Other products	3	186	18	1,633	16	1,819
War Plants:							
	Chemical			28	6,609	28	6,609
	Engineering and armaments			28	2,249	28	2,249
	Airframes	7	791	22	1,041	29	1,832
	Aero-engines and accessories	2	53	12	1,142	14	1,195
	TOTAL	14	1,561	110	18,079	124	14,640
INDIA							
	Iron and steel production	1	9	1	8	2	17
	Non-ferrous metals industry			1	*	1	*
	Shipbuilding			1	1,402	1	1,402
Mechanical Engineering:							
	Machine-tools	1	276	3	745	4	1,021
	Ball-bearings			1	551	1	551
	Other products	4	782	26	1,992	30	2,774
War Plants:							
	Chemical			4	230	4	230
	Engineering and armaments	4	148	23	6,997	27	7,145
	Airframes	4	450	17	2,010	21	2,460
	Aero-engines and accessories			11	665	11	665
	TOTAL	14	1,665	88	14,600	102	16,265

Less proportion of pre-August 1947 allocations transferred to
Pakistan

837

15,428

Country	Type of Plant	Whole Plants		Part Plants		Total	
		No.	Value	No.	Value	No.	Value
LUXEMBURG							
	Iron and steel production			1	28	1	28
	Non-ferrous metals industry			1	8	1	8
	Electric power stations			1	9	1	9
	Shipbuilding			1	40	1	40
	Mechanical Engineering:						
	Machine-tools	1	135	1	32	2	167
	Ball-bearings			1	77	1	77
	Other products	3	401	12	203	15	604
	War Plants:						
	Chemical			4	69	4	69
	Engineering and armaments			8	424	8	424
	Airframes			8	145	8	145
	Aero-engines and accessories			7	295	7	295
	TOTAL	4	536	45	1,330	49	1,866
NETHERLANDS							
	Iron and steel production			3	691	3	691
	Non-ferrous metals industry			1	22	1	22
	Shipbuilding			1	356	1	356
	Chemicals	2	222			2	222
	Mechanical Engineering:						
	Machine-tools			2	637	2	637
	Ball-bearings			1	564	1	564
	Other products	3	346	7	680	10	1,026
	War Plants:						
	Chemical			14	6,518	14	6,518
	Engineering and armaments	1	121	13	1,431	14	1,552
	Airframes	1	158	12	1,005	13	1,163
	Aero-engines and accessories			8	3,826	8	3,826
	TOTAL	7	847	62	15,730	69	16,577
NEW ZEALAND							
	Shipbuilding			1	150	1	150
	Mechanical Engineering;						
	Other products	1	87	3	36	4	128
	War Plants:						
	Chemical			7	466	7	466
	Engineering and armaments			13	532	13	532
	Airframes	1	13	22	882	23	895
	Aero-engines and accessories	1	10	10	202	11	212
	TOTAL	3	110	56	2,268	59	2,378

Country	Type of Plant	Whole Plants		Part Plants		Total	
		No.	Value	No.	Value	No.	Value
NORWAY				1	84	1	84
Shipbuilding							
Mechanical Engineering:				1	11	1	11
Machine-tools				5	355	15	586
Other products						20	941
War Plants:							
Chemical						12	254
Engineering and armaments						19	377
Airframes				5	268	31	161
Aero-engines and accessories						12	765
TOTAL		10	623	91	2,238	101	2,861

PAKISTAN							
Instruments		2	608			2	608
Mechanical Engineering:							
Other products		2	238	5	109	7	347
War Plants:							
Chemical				2	61	2	61
Engineering and armaments				1	564	5	302
Airframes						1	31
Aero-engines and accessories						4	8
TOTAL		5	1,410	17	511	22	1,921

Plus proportion of pre-August 1947 allocations transferred from India 837
2,758

UNITED KINGDOM							
Iron and steel production				2	96	2	96
Non-ferrous metals industry				2	3,128	2	3,128
Shipbuilding				1	147	1	147
Chemicals		1	1,610			1	1,610
Mechanical Engineering:							
Machine-tools		1	1,664	4	1,155	5	2,819
Ball-bearings				1	128	1	128
Other products		2	53	9	1,714	11	1,767
War plants:							
Chemical				24	1,889	24	1,889
Engineering and armaments				26	5,440	26	5,440
Airframes				32	57	32	57
Aero-engines and accessories				14	346	14	346
TOTAL		4	3,327	115	14,100	119	17,427

Country	Type of Plant	Whole Plants		Part Plants		Total	
		No.	Value	No.	Value	No.	Value
UNITED STATES							
Iron and steel production				1	3	1	3
Non-ferrous metals industry	2	2,980		3	4,142	5	7,122
Shipbuilding				1	27	1	27
Mechanical Engineering:					*		*
Ball-bearings				1		1	
Other products				6	44	6	44
War plants:							
Chemical				10	672	10	672
Engineering and armaments				17	318	17	318
Airframes				15	90	15	90
Aero-engines and accessories				9	184	9	184
	TOTAL	2	2,980	63	5,480	65	8,460
YUGOSLAVIA							
Iron and steel production				3	916	3	916
Non-ferrous metals industry	1	1		2	71	3	72
Electric power stations				2	228	2	228
Chemicals				1	22	1	22
Instruments	2	181		1	4	3	185
Mechanical Engineering:							
Machine-tools	1	2,602		1	14	2	2,616
Other products	4	11,499		21	2,203	25	18,702
War Plants:							
Chemical	4	247		29	17,043	33	17,290
Engineering and armaments	3	3,494		34	12,954	37	16,448
Airframes				38	594	38	594
Aero-engines and accessories				16	10,014	16	10,014
	TOTAL	15	18,024	148	44,063	163	62,087
TOTALS							
Plants allocated as a whole		147	46,875				
Plants allocated in parts				207	212,310		
						354	259,185†

† Includes the equivalent of RM. 1,168,000 to be paid in Czechoslovak national currency.

Breakdown showing number of plants in each category
allocated, as at 31 December 1948.

Iron and steel production	3
Non-ferrous metals industry	9
Electric power stations	3
Shipbuilding	1
Chemical industry	8
Instruments	10
Mechanical engineering:	
Machine-tools	16
Ball-bearings	1
Other engineering products	72
War Plants:	
Chemical	42
Engineering and armaments	64
Airframes	86
Aero-engines and accessories	<u>39</u>
	<u><u>354</u></u>

ANNEX VII
ALLOCATIONS OF RUSSIAN RECIPROCAL DELIVERIES
as at 31 December, 1948

ANNEX VIII

REVISED FINAL ALLOCATION OF GERMAN MERCHANT SHIPPING AND OF SHIPPING DISPOSED OF AS SCRAP

Countries	% of total Allied merchant shipping losses	Allocated as ships			Allocated as scrap	
		Tonnage allocated	% of total tonnage	Value in R. M's 1938	Tonnage	Value in R. M's 1938
Albania	—	—	—	—	1.756	80.015
Australia	0.19	1.279	0.18	377.998	—	—
Belgium	1.33	11.195	1.60	2.323.957	2.720	38.166
Canada	1.42	10.797	1.54	3.632.934	—	—
Denmark	2.19	20.727	2.95	3.000.915	5.918	8.500
Egypt	0.23	1.923	0.27	692.987	—	—
United States (i)	17.82	44.779	6.38	11.640.787	—	—
France	7.68	60.162	8.57	25.447.335	—	—
United Kingdom	46.04	349.968	49.86	88.404.184	23.780	229.192
Greece	4.99	47.329	6.74	6.889.274	—	—
India (ii)	0.24	—	—	—	—	—
Luxemburg	—	—	—	—	—	—
Norway	10.14	77.854	11.09	17.041.188	7.826	141.506
New Zealand	0.14	1.418	0.20	650.988	—	—
Pakistan	—	—	—	—	—	—
Netherlands	6.59	48.077	6.85	9.214.632	5.185	59.998
Czechoslovakia	—	—	—	—	—	—
Union of South Africa (iii)	0.14	—	—	—	—	—
Yugoslavia	0.86	26.482	3.77	2.757.961	6.250	200.012
Totals	100.00	701.990	100.00	172.075.185	53.435	757.389

NOTES

(i) voluntarily renounced some 65% of her share

(ii) rejected the proposed allocation

(iii) voluntarily renounced the whole of her share

ANNEX IX

THE WASHINGTON ACCORD WITH SWITZERLAND ON EXTERNAL ASSETS

Text of the letter exchanged by the Swiss and the Allied Delegations

25th May, 1946

(Note: the procedural annex mentioned in Section III has been omitted)

In the course of the discussions which have taken place, the Allied Governments, fully recognising Swiss sovereignty, claimed title to German property in Switzerland by reason of the capitulation of Germany and the exercise of supreme authority within Germany, and sought the return from Switzerland of gold stated to have been wrongfully taken by Germany from the occupied countries during the war and transferred to Switzerland.

The Swiss Government stated it was unable to recognize the legal basis of these claims but that it desired to contribute its share to the pacification and reconstruction of Europe, including the sending of supplies to devastated areas.

In these circumstances we have arrived at the Accord which follows:

I.

1. The Swiss Compensation Office shall pursue and complete its investigations of property of every description in Switzerland owned or controlled by Germans in Germany and it shall liquidate such property. This provision shall apply equally to the property of such other persons of German nationality as are to be repatriated.
2. The Germans affected by this measure shall be indemnified in German money for the property which has been liquidated in Switzerland pursuant to this Accord. In each such case an identical rate of exchange shall be applied.
3. Switzerland will, out of funds available to it in Germany, furnish one half of the German money necessary for this purpose.
4. The Swiss Compensation Office shall exercise the functions entrusted to it in close cooperation with a Joint Commission which shall be composed of a representative of each of the three Allied Governments, and a representative of the Swiss Government. The Joint Commission, as all interested private persons, shall have a right of appeal against the decision of the Swiss Compensation Office.
5. The Swiss Government will bear the cost of the administration and liquidation of German property.

II.

1. Of the proceeds of the liquidation of property in Switzerland of Germans in Germany, 50 percent shall accrue to the Swiss Government and 50 percent shall be placed at the disposal of the Allies for the rehabilitation of countries devastated or depleted by the war, including the sending of supplies to famine stricken people.

2. The Government of Switzerland undertakes to place at the disposal of the three Allied Governments the amount of 250,000,000 Swiss francs payable on demand in gold in New York. The Allied Governments declare on their part that, in accepting this amount, they waive in their name and in the name of their banks of issue all claims against the Government of Switzerland and the Swiss National Bank in connection with gold acquired during the war from Germany by Switzerland. All questions relative to such gold will thus be regulated.

III.

The procedures relating to the application of the present Accord are set out in the Annex.

IV.

1. The Government of the United States will unblock Swiss assets in the United States. The necessary procedure will be determined without delay.

2. The Allies will discontinue without delay the "black lists" insofar as they concern Switzerland.

V.

The undersigned representative of the Swiss Government declares on his part that he is acting also on behalf of the Principality of Liechtenstein.

VI.

In case differences of opinion arise with regard to the application or interpretation of this Accord which cannot be settled in any other way, recourse shall be had to arbitration.

VII.

This Accord and the Annex shall take effect upon their approval by the Swiss Parliament.

This Accord and the Annex have been written in English and French, both texts having the same validity.

ANNEX X

GERMAN EXTERNAL ASSETS IN SWITZERLAND

Resolution adopted by the Assembly on 16 March, 1948

THE ASSEMBLY OF THE INTER ALLIED REPARATION AGENCY,
COMPOSED OF REPRESENTATIVES OF THE GOVERNMENTS
SIGNATORIES OF THE PARIS AGREEMENT ON REPARATION,

RECALLING THAT, in accordance with Article 6 C of Part I of the Paris Agreement on Reparation, German assets in those countries which remained neutral in the war against Germany were to be removed from German ownership or control and liquidated or disposed of in accordance with the authority of France, the United Kingdom and the United States of America, pursuant to arrangements to be negotiated with the neutrals by those countries, and that the net proceeds of liquidation or disposition were to be made available to the Inter Allied Reparation Agency for distribution on reparation account;

CONSIDERING THAT by the Washington Accord of 25 May 1946, concluded with the three Negotiating Powers, the Government of Switzerland undertook to liquidate property in Switzerland of Germans in Germany, and that of the proceeds of liquidation 50 percent were to accrue to the Government of Switzerland and 50 percent were to be placed at the disposal of the Allies for the rehabilitation of countries devastated or depleted by the war;

CONSIDERING THAT the Government of Switzerland expressly stated in the Preamble to the Washington Accord that it desired to contribute its share to the pacification and reconstruction of Europe, including the sending of supplies to devastated areas, and in these circumstances entered into that Accord;

OBSERVING THAT such a contribution, in order to be effective, must be rapid;

CONSIDERING THAT the Government of Switzerland, after a lapse of almost two years, has not made any payment of the funds of which Member Governments of the Inter Allied Reparation Agency are to be the beneficiaries;

NOTING THAT the three Negotiating Powers have reported to the Assembly of this Agency that the delay by the Government of Switzerland in fulfilling its obligations under the Washington Accord is stated by the Government of Switzerland to be due to the fact that no agreement has been reached on a rate of exchange between the Swiss Franc and the Reichsmark;

CONSIDERING THAT it does not appear from the Washington Accord that the obligations of the Government of Switzerland in respect of the liquidation of German property and the payment of funds for the benefit of Member Governments of this Agency are in any way dependent on

the establishment of a rate of exchange between the Swiss Franc and the Reichsmark, which rate of exchange only affects the amount of future compensation to be paid to Germans in Germany and not the share of 50 percent to which Member Governments of this Agency are in any case entitled;

CONSIDERING THAT the position taken by the Government of Switzerland in regard to the establishment of an exchange rate has the inevitable consequence of subordinating the satisfaction of the urgent needs of the victims of German aggression to the protection of the financial interests of certain Germans in Germany, and that Member Governments of this Agency do not believe that such a consequence corresponds to the desires of the Government of Switzerland as expressed in the Washington Accord;

NOW THEREFORE THE ASSEMBLY,

- 1) REQUESTS THE GOVERNMENT OF SWITZERLAND FORTHWITH TO IMPLEMENT THE WASHINGTON ACCORD FOR THE BENEFIT OF THE GOVERNMENTS SIGNATORIES OF THE PARIS AGREEMENT, BY COMPLETING WITH THE LEAST POSSIBLE FURTHER DELAY THE LIQUIDATION OF THE PROPERTY COVERED BY THAT ACCORD; AND
- 2) REQUESTS THE GOVERNMENT OF SWITZERLAND TO MAKE IMMEDIATELY AVAILABLE, PENDING THE COMPLETION OF LIQUIDATION, THE SUM OF AT LEAST SWISS FRANCS 100,000,000 AS A FIRST ADVANCE FOR THE BENEFIT OF MEMBER GOVERNMENTS OF THIS AGENCY AGAINST THE TOTAL SUM REQUIRED TO BE PAID ON ACCOUNT OF GERMAN PROPERTY IN SWITZERLAND.

ANNEX XI

THE WASHINGTON ACCORD WITH SWEDEN ON EXTERNAL ASSETS

Text of the principal letter exchanged by the Swedish
and the Allied Delegations

18th July, 1946

Delegations representing the Governments of the United States of America, France, and the United Kingdom of Great Britain and Northern Ireland on the one hand (hereinafter referred to as the Allies) and the Government of Sweden on the other hand, have met in Washington and exchanged views on questions relative to German interests in Sweden and the elimination of any possible risk of those interests being used to support renewed German aggression.

Following this exchange of views, and in reaffirmation of their mutual support of these economic security objectives, the Swedish and Allied Delegations have arrived at the following understanding:

1. (a) The Swedish Government confirms its intention to pursue a program of economic security by the elimination of German interests in Sweden.
(b) The Swedish Government further affirms that the Foreign Capital Control Office (*Flyktkapitalbyran* or the FCCO) will, for this purpose, continue to uncover, take into control, liquidate, sell, or transfer German property, that the procedure already informally established between the FCCO and the Allied Missions in Stockholm shall be continued, as previously, as a means of exchanging information regarding the discovery and liquidation of German property and affording mutual assistance in this program.
2. The disposition of the proceeds of the German assets in Sweden after clearing against certain Swedish claims, will leave a balance which shall be considered to be 150 million kronor. To assist in preventing disease and unrest in Germany, this sum of 150 million kronor will be made available in a special account with the Swedish Riksbank to be used for financing such purchases — in Sweden or in any other market — of essential commodities for the German economy as may be agreed upon between the Swedish Government and the Allies. Insofar as such purchases are made in the Swedish market the deliveries will be limited by the scarcity of available supplies.
3. The German owners concerned shall be indemnified in German money for the property which has been liquidated or disposed of in Sweden pursuant to this understanding. For this purpose, the competent Swedish authority will give the Allies the necessary details with regard to the amount realized with particulars of the names and addresses of the German owners, and the Allied authorities in Germany will take the necessary steps in order that there will be recorded the title of the German owners of the property liquidated to receive the counter value thereof.

4. (a) In pursuance of its policy to restore looted property, the Swedish Government will effect restitution to the Allies of all gold acquired by Sweden and proved to have been taken by the Germans from occupied countries, including any such gold transferred by the Swedish Riksbank to third countries. Any claims by Governments of the occupied countries or their banks of issue not presented before July 1, 1947, shall be considered to be barred.
(b) On the basis of present evidence, subject to further checking, it is assumed that the gold the Swedish Government has to restore amounts to 7,155.32664 kilograms of fine gold, corresponding to the quantity of gold deriving from the Bank of Belgium which was acquired by the Swedish Riksbank and which is to be restituted in accordance with the foregoing.
(c) The Allied Governments undertake to hold the Swedish Government harmless from any claims deriving from transfers from the Swedish Riksbank to third countries of gold to be restituted according to the above declaration.
5. Divergencies on the interpretation and scope of the above clauses may, if the four Governments do not otherwise agree, be referred to arbitration.
6. The undersigned representatives of the Governments of the United States of America, France, and the United Kingdom of Great Britain and Northern Ireland state that insofar as the preceding provisions are concerned, they are also acting on behalf of the Governments of Albania, Australia, Belgium, Canada, Denmark, Egypt, Greece, India, Luxembourg, Norway, New Zealand, the Netherlands, Czechoslovakia, the Union of South Africa and Yugoslavia, and so far as it is material, the banks of issue of those countries.
7. (a) The three Allied Governments will make arrangements, through their Missions in Stockholm, for the admission of an official Swedish delegation which will be permitted to visit the zones of Germany in the charge of those Governments, and to inspect properties of corporations in which Swedish nationals have a substantial ownership interest, or which are directly owned by Swedish nationals. The inspection and other activities of the delegation will be limited only by general requirements of military security and convenience and by such general laws and regulations as are applicable to all persons travelling in Germany.
(b) It is the intention of the three Allied Governments to give non-discriminatory protection to the property in Germany of nationals of friendly foreign states, including property of corporations in which they have a substantial ownership interest. Provision will be made for equitable compensation in Germany with respect to removals and other dispositions of such properties by the Allied authorities in the zones of Germany occupied by them.
8. The Allied Governments will, in due time, require Germany or the future German Government to confirm the provisions of this understanding insofar as they affect German property in Sweden.
9. This understanding, together with the further letters exchanged today, shall, except where otherwise provided, take effect upon approval by the Swedish Riksdag.

Text of a letter addressed to the Chiefs of the Allied Delegations
by the Chief of the Swedish Delegation

I am authorized to make, on behalf of my Government, the following statement.

The Swedish Government in pursuing its policy to participate in the work of reconstruction and rehabilitation has in connection with the understanding we have reached found it appropriate to make the following contributions:

1. The Swedish Government will make available 50 million kronor to the Inter-Governmental Committee on Refugees for use in rehabilitation and resettlement for non-repatriable victims of German action.
You may rest assured that my Government, while reserving its decision as to the manner in which the funds will be made available, will use its best efforts to make the funds available as soon as possible and in such manner as to best carry out the aims of the Committee.
2. The Swedish Government will further make available 75 million kronor, which it will allocate among countries party to the Paris Agreement on Reparations. Decisions upon allocation will be made after exchanges of views with the Allies acting on behalf of those countries and with favorable consideration of their views.

There will also be consultation between the Swedish Government and each of the countries which may receive credit for any part of this sum as regards the extent to which or manner in which benefit from its share shall be applied either in the remission, reduction or extension of any existing or future credit with Sweden of each such country, or otherwise, as may be agreed between each such country and Sweden.

(Note: a series of further letters, amplifying those quoted above, or dealing with matters of procedure, has been omitted)

ANNEX XII

GERMAN EXTERNAL ASSETS IN SWEDEN

Resolution adopted by the Assembly on 3 February, 1948

THE ASSEMBLY OF THE INTER ALLIED REPARATION AGENCY, composed of representatives of the Governments Signatories of the Paris Agreement on Reparation,

RECALLING that in accordance with Article 6 C of the Paris Agreement on Reparation, German assets in those countries which remained neutral in the war against Germany were to be removed from German ownership or control and liquidated or disposed of in accordance with the authority of France, the United Kingdom and the United States of America, pursuant to arrangements to be negotiated with the neutrals by these countries and that the net proceeds of liquidation or disposition were to be made available to the Inter Allied Reparation Agency for distribution on reparation account;

RECALLING that by the Washington Agreement of 18 July 1946 with regard to German assets in Sweden, the three Negotiating Powers agreed with Sweden that it should liquidate such assets, retain a portion of the proceeds thereof, and make available to Member Governments of this Agency a total of Swedish kronor 225,000,000, of which sum Swedish kronor 150,000,000 were to be used for purchasing essential commodities for the German economy while Swedish kronor 75,000,000 were to be allocated by the Government of Sweden among Governments Signatories of the Paris Agreement;

RECALLING that with respect to the fund of Swedish kronor 75,000,000 the Washington Agreement provided that decisions of the Government of Sweden upon allocation were to be made after exchanges of views with the three Negotiating Powers acting on behalf of the Governments Signatories of the Paris Agreement and with favourable consideration of their views;

RECALLING FURTHER that the Governments Signatories of the Paris Agreement expressed their views with regard to this allocation by a Resolution unanimously adopted on 30 June 1947 in the Assembly whereby distribution of the funds as between Member Governments of this Agency should be made in accordance with the Category A percentage share of each Government as laid down in the Paris Agreement, which Resolution was formally communicated to a representative of the Government of Sweden by the representatives of the three Negotiating Powers at meetings held in London on 13—15 August 1947;

HAVING NOTED the communication made on behalf of the Government of Sweden to the United States' State Department in Washington in June 1947 and stated to be an expression of his Government's views by the representative of the Government of Sweden at the London meetings in August 1947, and the views of the three Negotiating Powers in this respect;

HAVING BEEN INFORMED of the proposals for distribution of the funds made by the Government of Sweden in August and September 1947, and noting that they differ widely from the unanimous views of the Governments Signatories of the Paris Agreement and in the case of seven out of the eighteen Member Governments provide no allocation whatever;

HAVING NOTED that the three Negotiating Powers have informed the Government of Sweden that these proposals do not constitute that favourable consideration provided for by the Washington Agreement and are therefore not acceptable;

CALLS THE ATTENTION OF THE GOVERNMENT OF SWEDEN TO THE FACT THAT THE EIGHTEEN GOVERNMENTS REPRESENTED IN THIS AGENCY ARE BOUND NOT TO ACCEPT FROM A NEUTRAL GOVERNMENT ANY ALLOCATION WHICH WOULD DIFFER FROM THAT APPROVED BY THE ASSEMBLY IN CONFORMITY WITH THE PARIS AGREEMENT;

REGRETS THAT THE GOVERNMENT OF SWEDEN HAS NOT AGREED TO A DISTRIBUTION OF THE FUNDS AVAILABLE UNDER THE WASHINGTON AGREEMENT IN CONFORMITY WITH THE STIPULATIONS OF THAT AGREEMENT REQUIRING FAVOURABLE CONSIDERATION OF THE VIEWS OF THE GOVERNMENTS SIGNATORIES OF THE PARIS AGREEMENT AS EXPRESSED BY THE THREE NEGOTIATING POWERS;

FINDS IT IMPOSSIBLE TO ACCEPT THE VIEWS OF THE GOVERNMENT OF SWEDEN AS EXPRESSED IN THE COMMUNICATION OF JUNE 1947, REFERRED TO ABOVE, AS TO ITS UNWILLINGNESS TO ALLOCATE THE SUM OF SWEDISH KRONOR 75,000,000 ALREADY APPROPRIATED BY THE RIKSDAG EXCEPT IN REDUCTION OF DEBTS PREVIOUSLY INCURRED BY CERTAIN MEMBER GOVERNMENTS; AND THEREFORE

REQUESTS THE GOVERNMENT OF SWEDEN TO IMPLEMENT THE WASHINGTON AGREEMENT FOR THE BENEFIT OF THE GOVERNMENTS SIGNATORIES OF THE PARIS AGREEMENT BY ALLOCATING THESE FUNDS WITH THE LEAST POSSIBLE FURTHER DELAY IN ACCORDANCE WITH THE VIEWS UNANIMOUSLY EXPRESSED BY THOSE GOVERNMENTS AND COMMUNICATED TO THE GOVERNMENT OF SWEDEN BY THE THREE NEGOTIATING POWERS IN AUGUST 1947.

A N N E X XIII

THE MADRID ACCORD WITH SPAIN ON
GERMAN EXTERNAL ASSETS

10th May, 1948

A C C O R D

REGARDING THE ELIMINATION OF THE ECONOMIC POTENTIAL SITUATED IN SPAIN CAPABLE OF CONSTITUTING A DANGER TO PEACE, AND THE LIQUIDATION OF BALANCES AND PAYMENTS CLAIMS BETWEEN THE GOVERNMENTS OF SPAIN AND GERMANY.

Whereas, in due course the Governments of the United States of America, of France, and of the United Kingdom of Great Britain and Northern Ireland approached the Spanish Government, making known their wish that the latter adhere to Resolution VI of Bretton Woods, to the end of eliminating in Spanish territory the economic potential capable of constituting a danger to peace;

Whereas, the mutual desire of carrying out this common objective has been expressed in various Notes exchanged between the Spanish and the Allied Governments, especially those of October 28, 1946, by which it was acknowledged that, as a consequence of the Act of Surrender of Germany of May 7, 1945, and the Declaration of Berlin of the Allied Control Council dated June 5, 1945, the powers and authority of the Government of the German Reich had been assumed by a Representation of the Allied Governments, represented in Spain, for the purposes of this Accord, by the Governments of the United States of America, of France, and of the United Kingdom of Great Britain and Northern Ireland; and

Whereas, it is deemed convenient that the balances arising through trade and payments between the Governments of Spain and Germany, as well as certain claims pending between both States, be liquidated;

Now, therefore, the undersigned, duly appointed for the purpose of these negotiations, have entered into the following Accord, which will come into force through an exchange of Notes for that purpose.

ARTICLE I

Property situated in Spain, her Protectorates or Possessions (herein after referred to as "Spain"), belonging to persons of German nationality falling within the conditions defined in this Accord, shall be expropriated for reasons of national security under the conditions stipulated in legal dispositions which the Government of Spain may issue for that purpose.

ARTICLE II

For the purpose of this Accord, the term "property" refers to property or assets of every description as well as to the rights and interests which may exist therein, provided they were situated in Spain on May 5, 1945, as likewise to sums falling due between the last mentioned date and April 30, 1948, whether registered in the name of their true owners or in the names of interposed persons for the beneficial interest of such owners, and to those properties or assets referred to in the Decree Law of the Spanish Government of May 5, 1945, and not by subsequent disposition exempted therefrom.

ARTICLE III

The provisions of this Accord apply to all persons, natural and juridical, of German nationality not resident or domiciled in Spain — neither they nor their heirs at law (derechohabientes) — on May 5, 1945, as likewise to all those juridical persons domiciled in Spain, of whatever nationality, for that part of their capital which may belong to natural or juridical persons of German nationality not resident or domiciled in Spain as defined above. Natural persons of German nationality who are the object of an expulsion order by Spanish governmental authority, are considered as nonresident in Spain for the purposes of this article, even though for whatever reason said expulsion order may not have been executed.

ARTICLE IV

The Spanish Administration and the Representatives in Spain of the Allied Control Council for Germany (hereinafter referred to as the "Representatives") shall reciprocally maintain effective collaboration as regards the speedy and complete execution of this Accord. They will also exchange whatever information they may possess related to the identification of the foreign assets in Spain eventually to be expropriated.

ARTICLE V

The Representatives, in their capacity as representatives of the Government of Germany, will assume the protection of the interests of the owners of the expropriable properties in the conditions stipulated in this Accord and in the legal dispositions which the Government of Spain may issue for that purpose.

ARTICLE VI

In cases where the identification of assets liable to expropriation or the valuation thereof gives rise to differences of opinion which prevent agreement between the Spanish Administration and the Representatives, the question shall be submitted for the final and impartial judgment of a disinterested person chosen by both parties. Such person shall determine his own procedure, and his decision shall be binding upon the interested parties.

ARTICLE VII

Once the expropriation has been accomplished, the expropriated property will be allotted in a manner consistent with the requirements of the Spanish economy.

Persons who apply for the allocation to them of such property must establish to the satisfaction of the Spanish Administration that they are not acting in representation of, nor under a mandate for, nor in relation with, persons whose property has been expropriated or other persons affected by this Accord, in any manner whereby indirectly an economic potential capable of endangering peace might be reconstituted. Measures shall be adopted to insure that any infraction of this condition shall entail the nullification of the act of allocation and the forfeiture of all sums paid therefor. The Representatives may obtain and furnish pertinent information for the purposes mentioned.

ARTICLE VIII

Sums corresponding to the fair appraisal values (justiprecios) shall be inscribed in a special account opened in the Spanish Foreign Exchange Institute, mentioning separately the amounts corresponding to each valuation

in order to facilitate payment to the respective owners in Germany. The Spanish Foreign Exchange Institute shall communicate to the Representatives the deposits entered in said special account as they are made. The Government of Germany will adopt the necessary measures for payment to the respective owners in Germany of the equivalent, and the Spanish Government shall be discharged from all obligation of payment once the communication referred to above has been made and the terms of Article IX of this Accord have been carried out.

ARTICLE IX

Once acknowledgment of the communication of the Spanish Foreign Exchange Institute referred to in Article VIII has been received, the sums in pesetas realized from the expropriation shall be credited in an account to be opened in the Spanish Foreign Exchange Institute in the name of the Representatives. Drawings on this account and the use of the funds credited to it shall be subject to the provisions of this Accord and its supplements.

ARTICLE X

The provisions of Article VIII and IX of this Accord shall apply to the sums in pesetas deposited or due to be deposited in the Spanish Foreign Exchange Institute in fulfilment of the provisions of Article 2 of the Spanish Ministerial Order of May 14, 1945.

ARTICLE XI

As settlement of the balances between Spain and Germany, the sums set forth below shall be deducted from the account opened in the Spanish Foreign Exchange Institute in the name of the Representatives and shall be paid to the Spanish Government: 20 percent of the first 100 million pesetas realized from the sale of expropriated property; 22½ percent of the yield realized between 100 and 200 millions; 25 percent of that between 200 and 300; 27½ percent of that between 300 and 400, and 30 percent of any amount exceeding 400 million pesetas. The Spanish Government shall have free disposition of the amounts so deducted, and the remainder shall be distributed among the beneficiary Powers in the proportions determined by common agreement between the Powers signatory to this Accord. It is understood that the amounts so distributed shall not in any manner be transferred abroad or used for investment in Spain without the special agreement of the Spanish Government.

ARTICLE XII

The Allied Powers signatory to this Accord, in the name of the Government of Germany, hereby cede to the Spanish Government all rights, titles and interests possessed or exercisable by or in the name of the German Government or its agencies over the properties in Spain belonging to the institutions referred to in the Notes addressed on this date to the Spanish Government, as provided in Article One of the Decree Law of April 23, 1948.

The Spanish Government undertakes that said properties shall in no way revert to their previous owners nor be employed for their former purposes.

The Spanish Government hereby declares that the sums arising from the liquidation of the properties, rights, titles and interests hereby ceded

to it are destined as cover for the expenses which it shall have incurred in the execution of the legal dispositions referred to in this Accord or related thereto.

It is mutually agreed that as from the date of this Accord, the Spanish Government takes the place of the Government of Germany in all rights and liabilities related to the properties referred to in the present article.

ARTICLE XIII

The fulfilment of this Accord is accepted by both Parties as the total liquidation of all classes of claims and trade or payments balances between Spain and Germany respectively.

The foregoing provision does not affect either the right of any natural or juridical person of Spanish nationality to property in Germany or to indemnities or sums to which he may be entitled under German law, or claims or rights of the Spanish State in relation to its official property in Germany.

On the other hand, future trade and payments balances between Spain and Germany shall be adjusted to such agreements or dispositions as may become applicable.

ARTICLE XIV

As of the date of this Accord, the special measures adopted by the Spanish Government for the blocking of the property of certain foreigners shall cease to be applied insofar as they do not refer to the assets which are the object of this Accord, and in accordance with the dispositions which may be issued for that purpose by the Spanish Administration.

ARTICLE XV

In the name of the Government of Germany and in exercise of the authority and rights conferred by the Act of Surrender of Germany of May 7, 1945, and by the Declaration of Berlin of June 5, 1945, the Allied Powers signatory to this Accord confirm the waiver of the claims referred to in Article XIII and guarantee the Government of Spain against any eventual or subsequent claim in relation to the settlement made as provided in Article VIII. They likewise undertake that Germany or whatever German Government succeeds the Allied Control Council for Germany in the government of Germany shall confirm the provisions of this Accord.

ARTICLE XVI

The Allied Powers signatory to this Accord acknowledge that it expresses satisfactorily the solidarity of the Government of Spain with the principles referred to in Paragraph One of the Preamble.

Done in Madrid on the 10th day of May 1948 in three texts, in Spanish, French and English, and in four originals of each, all equally authentic, one original of each text remaining in the possession of each one of the four signatory governments.

Signatures:

- President of Delegation of Spain.
- Chief of Delegation of the United States of America.
- Chief of Delegation of France.
- Chief of Delegation of the United Kingdom of Great Britain and Northern Ireland.

EXECUTIVE PROTOCOL SUPPLEMENTARY TO THE ACCORD
REGARDING THE ELIMINATION OF THE ECONOMIC POTENTIAL
SITUATED IN SPAIN CAPABLE OF CONSTITUTING A DANGER
TO PEACE, AND THE LIQUIDATION OF BALANCES AND
PAYMENTS CLAIMS BETWEEN THE GOVERNMENTS OF SPAIN
AND GERMANY.

For the purposes foreseen in the Accord signed on this date (hereinafter called the "Accord"), the Contracting Parties agree to the following Protocol which shall be considered an integral part thereof.

ARTICLE I

The application of the legislative measures which may be promulgated by the Spanish Government for the purposes set out in Article I of the Accord is the exclusive concern of the Spanish administration. It is agreed, on the other hand, that the Representatives in Spain of the Allied Control Council for Germany (hereinafter called the "Representatives") may intervene as provided in Articles IV, V and VII of the Accord, and that they shall permanently maintain relations with the competent bodies of the Spanish Administration for the purpose of exchanging information relative to the execution of those Articles, and proofs leading to the identification of the true owner of the assets defined as expropriable for reasons of national security, particularly where grounds exist to presume that persons have been interposed in title or that any deception has occurred contrary to the Accord or to the legislation in force in Spain. Both Parties shall communicate to each other the names of the persons designated for this purpose.

ARTICLE II

The fair appraisal value (*justiprecio*) shall be in accordance with a true valuation of the assets to be expropriated, as of the date of such estimate.

The interested Parties shall employ all means necessary to ascertain the true situation and the true value of the assets liable to expropriation and, for this purpose, the respective Interventors shall give them access to all archives, accounting records and other pertinent documents.

The interested Parties shall likewise exchange between themselves all information conducive to the determination of the true valuation of the assets to be expropriated. Once the fair appraisal value of the assets to be expropriated has been established and accepted by both parties, as provided in the Accord, the procedure laid down in Article VIII of the Accord shall be followed. Once this condition has been fulfilled, the Spanish Administration shall proceed freely to determine to whom the assets shall be allotted, without prejudice to the provisions of Article VII of the Accord, and to this Protocol, and also to settle the method or procedure to be followed in regard to the allotment.

ARTICLE III

It is understood that the official intervention to which the assets which are subject to expropriation for reasons of national security have been submitted, has for its object the conservation of such assets, and their true and better identification and evaluation, pending their allotment.

As witness our hands this 10th day of May, 1948, in Madrid.

Signatures:

- President of Delegation of Spain —
- Chief of Delegation of the United States of America —
- Chief of Delegation of France —
- Chief of Delegation of the United Kingdom of Great Britain and Northern Ireland —

FINANCIAL PROTOCOL SUPPLEMENTARY TO THE ACCORD
REGARDING THE ELIMINATION OF THE ECONOMIC POTENTIAL
SITUATED IN SPAIN CAPABLE OF CONSTITUTING A DANGER
TO PEACE, AND THE LIQUIDATION OF BALANCES AND
PAYMENTS CLAIMS BETWEEN THE GOVERNMENTS OF
SPAIN AND GERMANY

For the purposes foreseen in the Accord signed on this date (hereinafter referred to as the "Accord") the Contracting Parties agree to the following Protocol which shall be considered an integral part thereof.

ARTICLE I

In the execution of Article IX and XI of the Accord, the balances in the account opened in the Spanish Foreign Exchange Institute in the name of the Representatives in Spain of the Allied Control Council for Germany (hereinafter called the "Representatives"), after deduction of the sums payable to the Spanish Government, shall, in principle, be distributed proportionately in the following percentages:

Albania	0.05
U. S. A.	28.00
Australia	0.70
Belgium	2.70
Canada	3.50
Denmark	0.25
Egypt	0.05
France	16.00
United Kingdom	28.00
Greece	2.70
India and Pakistan	2.00
Luxembourg	0.15
Norway	1.30
New Zealand	0.40
Netherlands	3.90
Czechoslovakia	3.00
Union of South Africa	0.70
Yugoslavia	6.60

Subject to notification by them to the Spanish Administration, the Representatives may modify the allocations set forth by the above schedule of percentages, provided always that the sum total of the increases made does not exceed 25% of the total to be distributed.

It is understood that the percentages greater than 15% of the total may not be increased by more than 25% of their respective quotas, and that those of less than 15% of the total may not be increased by more than 50% of their quotas.

ARTICLE II

Deposits in individual accounts in the names of the beneficiary Powers, referred to in the previous Article, shall be made at any time at the request of the Representatives after deduction of the amounts payable to the Spanish Government as specified in Article XI of the Accord for payment of Spanish claims.

For this purpose, separate accounts in the names of each of the Governments concerned, in a Spanish bank of its choice, will be credited with the sums corresponding to their respective percentages, calculated on the balances in the account in the name of the Representatives.

Said accounts may be opened at sight or as time deposits upon prior agreement with the Spanish Foreign Exchange Institute, and the investment or transfer of the normal interest earned thereon shall be subject to the same rules as are established by the Accord and by this Protocol with regard to the principal.

ARTICLE III

The amounts credited in favor of the Governments referred to in Article I of this Protocol may be transferred abroad or used for investment in Spain or ceded to third parties, subject to agreement with the Spanish Government and always within general regulations applicable to trade and foreign exchange transactions between Spain and the country concerned in each case.

In agreement with the Spanish Government such amounts may be freely used for investments such as the acquisition of official buildings, payment of the personnel on official business or other similar purposes.

Such sums may also be utilized by the country concerned for the purchase of foreign exchange for investment in foreign participations in property expropriated for reasons of national security, subject to prior agreement with the Spanish Government, it being fully understood that such transactions shall follow the regulations applicable in each case.

ARTICLE IV

The Spanish Government declares that transfers, cessions or investments charged to the accounts referred to in the present Protocol will be authorized within the limits and possibilities of the Spanish economy. The Representatives accept this principle.

As witness our hands this 10th day of May, 1948, in Madrid.

Signatures:

- President of Delegation of Spain —
- Chief of Delegation of the United States of America —
- Chief of Delegation of France —
- Chief of Delegation of the United Kingdom of Great Britain and Northern Ireland —

(*Note: a series of letters amplifying the Accord, or dealing with matters of procedure, has been omitted*)

ANNEX XIV

RULES OF ACCOUNTING FOR GERMAN EXTERNAL ASSETS

Approved by the Assembly on 21 November, 1947

Part 1

1. The term "Germany" means the territory within the boundaries of that country as of 31 December, 1937.
2. The term "assets" means all property, whether movable or immovable, and any right, title or interest in property. (See paragraph 9 of the Report of the Committee on German External Assets, dated 18 November, 1947).
3. The term "seizure" (or "seized") means placing under custody, sequestration, blocking, vesting or confiscation because of a German interest.
4. The seizure of assets by a Signatory Government shall not be deemed to have relieved the Signatory Government from the obligation to account for such assets, or in the case of liquidation or sale of seized assets, for the proceeds from such assets.

Part 2

5. Subject to the other Parts of these Rules, and in conformity with Article 1 F (Part I) of the Paris Reparation Agreement, each Signatory Government shall be charged with the estimated value of the assets, referred to in A and B below, which were within its jurisdiction on the 24 January, 1946, and any income from such assets derived by the Signatory Government before or after that date. Each Signatory Government's estimate shall be made on the following basis:

- (1) Assets which have not been sold or liquidated as of the reporting date shall be estimated on the basis of prices current in 1948 at the time the estimate for that year was established. Any income from such assets shall be accounted for.
- (2) If assets have been sold or liquidated by the Signatory Government before or after the 24 January, 1946, but prior to the reporting date, the Signatory Government shall report the proceeds from the sale or liquidation of such assets. Any income from such assets prior to their sale or liquidation shall be accounted for.
- (3) Assets seized in the form of monies or bank accounts shall be accounted for together with any income from such assets until invested or reinvested or paid into the public treasury.
- (4) When proceeds from assets sold or liquidated or assets in the form of monies or bank accounts or any income are invested or paid into the public treasury, such proceeds, assets and income shall only be accounted for on the basis of the amount invested or paid into the public treasury as of the date of such investment or payment.

A. Assets which on 24 January, 1946 were owned (or but for their seizure would have been owned) directly or indirectly by:

1. The German State, Government, municipal and other public authorities and organisations, and the German Nazi Party.
2. Any individual who had German nationality on 24 January, 1946 and who on that date was physically inside Germany or had his residence in Germany.
3. Any individual who, as a German national, has been compulsorily repatriated to Germany after 24 January, 1946, or is intended to be compulsorily repatriated to Germany.
4. Any body of persons, corporate or unincorporate, organised in and under the laws of Germany.

B. Assets, other than those mentioned in A, which as of the reporting date (i) have been seized and (ii) have not been released and (iii) are not intended to be released in cases in which:

1. Such assets were on 24 January, 1946 owned (or but for their seizure would have been owned) directly or indirectly by:—
 - a) any individual who had German nationality at any time between the date on which the country of the Signatory Government was occupied or annexed by or entered into war against Germany, and 24 January, 1946.
 - b) any body of persons, whether corporate or unincorporate, in which there has been a German interest at any time between the date on which the country of the Signatory Government was occupied or annexed by or entered into war against Germany and 24 January, 1946.
2. Such assets were owned (or but for their seizure would have been owned) directly or indirectly by any individual of German nationality who died before 24 January, 1946.

Part 3

6. A Signatory Government shall be entitled to exclude, from the charge to be made under Part 2, assets within the following categories if such assets (i) have not been seized, or (ii) have been released, or (iii) will be released.

- A. Patents disposed of or dealt with on the basis of the London Patent Accord of 27 July, 1946, and trademarks, designs and literary and artistic property; provided however that any income or proceeds from all such assets shall be included.
- B. Household goods and limited personal effects which individuals repatriated to Germany are permitted to take with them, and maintenance allowances necessary for the support of such individuals, pending repatriation.
- C. Household goods and limited personal effects of diplomatic and consular officials of the German Governments.

- D. Assets belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes.
- E. Assets of any individual of German nationality who voluntarily entered Germany at the invitation of, and to assist any of the Allied Governments, and whose case merits favourable consideration.
- F. Assets of any individual of German nationality:
- (1) who was deprived of liberty pursuant to any German law, decree or regulation discriminating against religious or racial groups or other organisations, and
 - (2) who did not enjoy full rights of German citizenship at any time between 1 September, 1939 and the abrogation of such law, decree or regulation, and
 - (3) who has left Germany (or if he has not left Germany at the final accounting under the Paris Agreement, it is proved that he intends to leave Germany within a reasonable time thereafter) to establish his permanent residence outside Germany, and
 - (4) who it is proved did not act against the Allied cause during the war, and
 - (5) whose case merits favourable consideration.
- G. Assets of any individual of German nationality:
- (1) who is also a national, or was formerly a national of a I.A.R.A. country, and
 - (2) who was formerly a resident of that country, and
 - (3) who has left Germany (or if he has not left Germany at the final accounting under the Paris Agreement, it is proved that he intends to leave Germany within a reasonable time thereafter) to establish his permanent residence in that I.A.R.A. country, and
 - (4) who it is proved was loyal to the Allied cause during the war, and
 - (5) whose case merits favourable consideration.
- H. Assets which would provide little or no net value because of the costs involved in their seizure, administration or sale.
- I. Assets in a Signatory country owned by any body of persons organised under the laws of another country, other than Germany, in which body the German interest is not a controlling interest.
- J. Assets in a Signatory country owned by any body of persons, organised under the laws of Germany, in which body there are non-German interests, to the extent that such assets proportionate to the non-German interests in the body are released to such non-German interests.
- K. Any other direct or indirect non-German interest in assets which interest has not been seized or which has been or will be released to such non-German interest.

Part 4

7. A Signatory Government shall exclude, from the charge to be made under Part 2, any assets within its jurisdiction which an individual on the 24 January, 1946 directly or indirectly owned (or, but for the placing under custody, sequestration, blocking, vesting or confiscation of the assets, he would have owned) if the individual, at the time of the occupation or annexation by Germany of territory of the country in which he was residing or at the time at which that country entered into war, was:

- a) a national of that country, and
- b) not a national of Germany, and
- c) did not acquire German nationality by marriage, provided that . this provision shall not affect the applicability of Rule 6 G.

Part 5

8. Subject to Rule 9,

A. A Signatory Government shall exclude, from the charge to be made under Part 2, assets within its jurisdiction on 24 January, 1946, which, because of an agreement or arrangement with another Government to avoid or resolve a conflict of jurisdiction (i) have not been seized and will not be seized or have been released or will be released or (ii) have been used or will be used to indemnify non-enemy interests.

B. A Signatory Government may deduct, from the charge to be made under Part 2, any reimbursement which that Government has paid or will pay in connection with the non-seizure or release of assets referred to in paragraph A.

C. A Signatory Government shall include, in the charge to be made under Part 2, any reimbursement which that Government has received, or will receive in connection with the non-seizure or release of assets referred to in paragraph A.

9. Where adjustments referred to in Rule 8 concern assets which have been seized and not yet released but will be released, and

A. The Governments directly concerned are Signatory Governments, such adjustments may not be made by a Signatory Government unless the following conditions apply:

1. The Signatory Government has informed the Secretary General and any other Signatory Government directly concerned,
2. The Signatory Governments directly concerned have agreed as to the deductions and inclusions to be made in the accounts of those Signatory Governments.

B. Where one of the Governments directly concerned is not a Signatory Government, such adjustments may not be made by the Signatory Government, without the prior approval of the Secretary General of I. A. R. A. The decision of the Secretary General shall be subject to review by the Assembly within three months.

Part 6

10. For the purpose of this Part 6 the term "material date" means the date of invasion or annexation, whichever was the earlier, by Germany of territory of the Signatory Government.

11. A Signatory Government shall be entitled to exclude, from the charge to be made under Part 2, assets which were acquired after the material date by the German State or Government or by any individual or body described in Rule 5.

12. A Signatory Government shall, however, be charged for:

- a) assets acquired after the material date by inheritance, and
- b) except in cases described in (c) and (d), any consideration paid for any assets acquired after the material date, and
- c) any assets which were brought into or created within the jurisdiction of the Signatory Government after the material date by the German State or Government or by any individual or body described in Rule 5, and
- d) any assets acquired after the material date from a person who at that time was not a resident of a country which had been invaded or annexed by Germany.

13. A Signatory Government shall be entitled to exclude, from the charge to be made under Rule 12 (b), the consideration referred to in Rule 12 (b) to the extent that such consideration was paid:

- a) in Reichsmarks, or
- b) in currency issued in the territory of the Signatory Government and obtained after the material date for occupation costs or for Reichsmarks, or
- c) in any other counter-value which was obtained after the material date directly or indirectly either in exchange for (a) or (b) or for no consideration except where acquired by inheritance.

14. A Signatory Government shall be entitled to exclude, from the charge to be made under Rule 12 (c), assets referred to in Rule 12 (c) to the extent that such assets were acquired in an occupied or annexed country:

- a) for no consideration, or
- b) for Reichsmarks, or
- c) for currency issued in the territory of that occupied or annexed country and obtained after the material date for occupation costs or for Reichsmarks, or
- d) for any other counter-value which was obtained after the material date directly or indirectly either in exchange for (b) or (c) or for no consideration except where acquired by inheritance.

15. A Signatory Government shall be entitled to exclude, from the charge to be made under Rule 12 (d), assets referred to in Rule 12 (d) to the extent that such assets were acquired:

- a) for currency issued in the territory of an occupied or annexed country and obtained after the material date for occupation costs or for Reichsmarks, or
- b) for any other counter-value which was obtained after the material date directly or indirectly either in exchange for (a) or for no consideration except where acquired by inheritance.

Part 7

16. A Signatory Government may deduct from the value of the assets to be charged any sum which it has paid or intends to pay in the following categories:

- A. Taxes accrued before the reporting date with respect to assets to be reported.
- B. Liens.
- C. Expenses of administration incurred before the reporting date with respect to assets to be reported.
- D. In rem charges against specific items.
- E. Unsecured legitimate contract claims against the German former owner of assets.

17. With respect to items "A", "B", "D" and "E" of Rule 16, a Signatory Government may deduct only to the extent of the value of the particular German owner's specific assets which are to be charged.

18. In addition, with respect to item "E" of Rule 16, unsecured contract claims may be deducted only (a) if paid or to be paid in accordance with the laws or administrative rules of the Signatory Government in force on the reporting date and (b) in respect of which all of the three following provisions apply, namely, that the claims are:

- 1. Those of nationals or bodies of persons organised under the laws of the country within whose jurisdiction the assets are situated, or the Government of that country, or to individuals who are and were resident in that country as of its entry into war.
- 2. Filed with the Signatory Government before 24 January, 1949, or filed within two years after the vesting, sequestration or confiscation of the German assets involved.
- 3. In respect of contracts with the German former owner of the assets in the Signatory country, entered into before 9 May, 1945, by or on behalf of an individual who was resident in, or by or on behalf of a body of persons which was organised under the laws of, the Signatory country, at the time when the contract was entered into.

Part 8

19. A Signatory Government shall be entitled to exclude, from the charge to be made under Part 2, 50% of the net value of:

- A. Assets which on the reporting date are under judicial proceedings the outcome of which will determine whether the assets are subject to Part 2;
- B. Assets which the Signatory Government and the Secretary General of I. A. R. A. agree:
 - 1. involve special circumstances, and
 - 2. may reasonably be expected to come under judicial proceedings the outcome of which would determine whether the assets are subject to Part 2. The decision of the Secretary General shall be subject to review by the Assembly within three months.

ANNEX XV

POSITION AS AT 31 DECEMBER 1948 OF CATEGORY A REPARATION ACCOUNTS (in \$ 1938).

Country	<i>German External Assets</i>		Under Agreement with Spain	Allocations in Cash	U.S.S.R. reciprocal deliveries	Captured Enemy Supplies	Total Charges
	In Jurisdiction of Member Govern- ments (excluding railway rolling stock)	Under Agreement with Sweden					
Albania	\$ 1938	\$ 1938		\$ 1938	\$ 1938	\$ 1938	\$ 1938
United States	—	—	1,965	—	1,819	—	3,784
Australia	54,637.884	9,334.256	1,100,036	—	1,087,152	—	66,149,328
Belgium	577,009	—	27,503	—	26,926	—	631,438
Canada	4,661.818	—	—	—	139,156	2,049,160	6,850,134
Denmark	1,512,793	—	187,506	—	—	—	1,657,299
Egypt	8,152,431	—	—	—	—	5,198,015	13,345,446
France	1,792,474	—	—	—	1,819	—	1,794,293
United Kingdom	3,176,753	3,555,907	628,692	91,976	62,073	2,523,427	10,597,728
Greece	22,173,286	9,334,256	1,100,036	—	1,087,152	—	33,694,730
India } Pakistan	626,387	—	106,076	—	120,552	—	853,015
Luxembourg	2,344,489	—	94,823	—	68,691	—	2,478,003
Norway	—	—	18,751	—	9,051	—	22,802
New Zealand	877,824	—	—	—	—	36,764	914,588
Netherlands	2,324,200	—	—	—	—	2,468,201	4,792,461
Czechoslovakia	100,748	—	15,718	—	—	—	116,466
Union of South Africa	18,693,792	—	—	—	161,355	2,230,739	21,076,886
Yugoslavia	2,224,411	—	117,864	—	116,549	—	2,458,824
Totals	132,180,775	28,708,047	8,578,108	81,976	3,703,532	14,601,306	177,761,834

ANNEX XVI

STATEMENT OF REPARATION ACCOUNT — CATEGORY B — AS AT 31 DECEMBER 1948 (in 1938 RM.)

Country	Act of Paris Percentages Category B	Industrial Capital Equipment in RM.				Merchant Shipping	Unilateral Deliveries	Total Allocations	Total Value	Percentages
		Total of the first 31 programs	British Emergency Delivery Scheme	French Emergency Delivery Scheme	RM.					
Albania	0.85	2,615,019.55	—	206,153,—	—	—	—	2,901,187.55	—	0.57
United States	11.80	8,480,370.84	—	32,612,—	19,980,000	11,040,787	—	40,123,769.84	—	7.88
Australia	0.95	6,701,274.83	495,098.30	240,884,—	—	377,993	—	7,815,250.13	—	1.53
Belgium	4.50	12,262,805.82	1,334,344.39	863,226,—	—	2,362,123	—	16,822,499.21	—	3.30
Canada	1.50	—	—	—	—	—	—	3,632,934,—	—	0.71
Denmark	0.85	1,263,532.60	169,588.74	215,639,—	—	—	—	4,658,175.34	—	0.81
Egypt	0.20	607,376,—	—	—	—	692,987	—	1,300,363,—	—	0.26
France	22.80	64,764,470,—	5,356,751.27	2,835,245,—	16,520,000	25,447,385	—	114,913,801.27	—	22.66
United Kingdom	27.80	17,426,821.47	5,739,220.06	385,286,—	7,377,461	88,633,370	—	119,559,164.53	—	23.47
Greece	4.35	14,640,072.25	1,663,987.42	1,444,462,—	—	6,889,274	—	24,637,795.67	—	4.84
India	2.89	15,428,445.43	1,141,472.27	2,148,594,—	—	—	—	18,718,511.70	—	3.68
Luxembourg	0.40	1,866,103.75	248,290.75	301,029,—	—	—	—	2,415,363.50	—	0.48
Norway	1.90	2,861,439.52	471,109.23	133,246,—	—	17,182,694	—	20,648,458.75	—	4.05
New Zealand	0.60	2,376,682.32	237,481.35	401,510,—	—	650,988	—	3,606,361.67	—	0.72
Netherlands	5.60	16,577,300.81	500,353,80	912,661,—	—	9,274,030	—	27,264,945.61	—	5.35
Pakistan	0.51	2,757,293.67	66,843,53	—	—	—	—	2,824,372.20	—	0.55
Czechoslovakia	4.30	25,330,826.23	531,413.18	785,133,20	—	—	—	26,647,372.61	—	5.22
Union of South Africa	0.10	—	—	—	—	—	—	—	—	—
Yugoslavia	9.60	62,087,004.88	4,353,874,10	1,479,825,—	—	2,985,973	70,878,776,98	—	13,92	—
Totals	100.—	258,016,839.97	22,806,868,39	12,385,505,20	43,837,461	172,832,524	509,420,199,56	100.—	—	—

INTER-ALLIED REPARATION AGENCY

Report
of the Secretary General
for the year
1949

"In retrospect, the original reparation programme still seems economically reasonable, and economically useful, and its original time schedule sensibly defined. The more political factors upset the time schedule, the less economically effective did the plan become. The equipment received has been of considerable value to allied countries. The value of the reparation programme would have been incomparably greater had the equipment been made available within the time limit originally fixed."

The Secretary General

INTER-ALLIED
REPARATION
AGENCY

REPORT
OF THE SECRETARY GENERAL
FOR THE YEAR
1949

PRINTED AND PUBLISHED BY
THE INTER-ALLIED REPARATION AGENCY
BRUSSELS,
1950

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The Inter-Allied Reparation Agency was established by the Paris Agreement of January, 1946. Its function is to ensure an equitable distribution, in accordance with the provisions of the Paris Agreement, of the total assets which are or may be declared available as reparation from Germany, among the nineteen Member Nations entitled to reparation to compensate in some measure for the loss and suffering caused by Germany.

The chief forms of reparation made available are:

Industrial Capital Equipment
German External Assets
Merchant Shipping
Captured Enemy Supplies
Russian Reciprocal Deliveries.

I.A.R.A. consists of an Assembly comprising a representative of each of the nineteen Signatory Governments, and an international Secretariat.

The nineteen Signatory Governments are as follows:

Albania	India
Australia	Luxemburg
Belgium	Norway
Canada	New Zealand
Denmark	Pakistan*
Egypt	The Netherlands
United States	Czechoslovakia
France	Union of South Africa
United Kingdom	Yugoslavia
Greece	

* Pakistan was admitted to membership of I.A.R.A. on 15 March, 1948.

ANNUAL REPORT

PART ONE

SUMMARY OF GERMAN REPARATION, 1946—1949

I. Introduction

The Inter-Allied Reparation Agency has existed for almost four years. During this time, the rate at which German industrial and other reparation assets have been made available to it by the Occupying Powers in Germany and by neutral countries has been extremely slow, and the total pool of expected reparations has been subjected to continual reductions.

At long last, however, the Agency knows roughly the amount and value of the final pool of reparations and can foresee the end of its task. Of the two chief forms of reparation, industrial capital equipment and German external assets, the allocation of the former will probably be completed in the Spring of 1950, and the final accounting of the latter is scheduled to take place in January, 1951.

It is probable that when the accounts of the Agency are closed they will show that Member Governments have received as reparation from Germany the following approximate amounts:

	<u>Value in 1938 dollars *</u>
German external assets within the jurisdiction of Member Governments and in neutral countries	\$ 293,300,000
Incorporation of the Saar in the French economy	17,500,000 **
Industrial capital equipment	146,800,000
German merchant shipping	43,200,000
U. S. S. R. reciprocal deliveries	1,500,000
Captured enemy supplies	<u>14,700,000</u>
Total	<u>\$ 517,000,000</u>

It is obviously impossible at this time to estimate the value of reparation from Germany which each Member Government

* To get approximate values in 1949 dollars, multiply by two.

** In accordance with Assembly decision of 13 January 1949.

will have received by the close of the Agency. At the end of 1949, however, the individual Member Governments had received the following amounts:

<u>Country</u>	Amount Received at End of 1949 (in 1938 dollars)
Albania	\$ 975,974
Australia	3,084,078
Belgium	15,161,965
Canada	2,919,363
Denmark	17,277,486
Egypt	2,565,613
United States	102,569,186
France	68,054,728
United Kingdom	84,249,297
Greece	10,150,646
India	8,269,015
Luxemburg	1,578,497
Norway	11,294,660
New Zealand	1,053,874
Pakistan	1,108,328
The Netherlands	34,500,986
Czechoslovakia	11,177,432
Union of South Africa	6,940,352
Yugoslavia	29,875,350
Total	<u>\$ 412,806,830</u>

As the reparations programme is now drawing rapidly to a close, it has been thought appropriate to review briefly the course of German reparations between 1946 and 1949. Full details of the Agency's activities during 1946, 1947 and 1948 will be found in the Secretary General's Reports for these years.

II. The Potsdam Conference

After the defeat of Germany, the representatives of the three Allied Powers, the United States, the United Kingdom and the U. S. S. R., met at Potsdam in July 1945 to put into specific terms the general principles on which they had agreed earlier in the year, at the Crimea Conference, concerning the government and the obligations of defeated Germany.

It was decided at Potsdam (Annex I) to disarm Germany by eliminating her war industries and, in the interest of security, to control the future development of the German industrial economy

by forbidding the manufacture of certain products and by strictly limiting the level of output of others. It was also agreed that Germany should provide all possible compensation for the damage caused by her aggression, and that this compensation should be paid, not in gold and foreign exchange as after the 1914—1918 war, but in kind.

At Potsdam, President Truman summarised the reasons for taking reparations in the following terms: "The first object of reparation is to remove from Germany everything which might assist her to prepare a new war. The second object of reparation is to assist the reconstruction of the devastated countries by allocating to them industrial equipment and machinery removed from Germany."

The amount of industrial equipment to be taken from Germany, apart from war industries, was left to the decision of the Occupying Powers themselves after they had agreed on the amount of productive resources which would have to be left to enable the German people to enjoy a reasonable economic standard of life, which in any event was not to exceed the average standard in Europe as a whole (excluding that prevailing in the United Kingdom and the U.S.S.R.). It was further agreed (i) that the removal of surplus German industrial equipment should be completed within two and a half years after the signing of the Potsdam Declaration; (ii) that, pending the establishment of the level of permitted industry to be retained in Germany, advance deliveries of industrial capital equipment should be made available for reparation; (iii) that for the duration of the occupation, Germany should be treated as an economic whole, and (iv) that the Occupying Powers would establish a common policy in regard to reparation and the removal of surplus equipment.

Specifically, it was agreed that the U.S.S.R. was to meet its reparation claims from its Zone of Occupation of Germany. In addition it was to receive 25% of the surplus equipment in the other three zones. The U.S.S.R. was to assume responsibility for the reparation claims of Poland. The claims of all other Allied Governments were to be met out of the remaining surplus equipment in the three Western zones. The U.S.S.R. agreed that it would pay for 60% of the industrial equipment it received from the Western Zones by "reciprocal deliveries" consisting of food, coal, potash, zinc, timber, clay products, petroleum products and such other commodities as might be agreed upon.

The Potsdam Declaration did not exclude any type of German asset from being made available as reparation, but, in addition to

industrial capital equipment, it specifically mentioned only German merchant shipping and German external assets. One-third of the German merchant fleet was to go to the U. S. S. R., while two-thirds were to be put at the disposal of the U. K. and the U. S. A. The U. S. S. R. was to appropriate all German external assets in Bulgaria, Finland, Hungary, Rumania and Eastern Austria. German external assets elsewhere were to be put at the disposal of the Western Allies.

III. The Paris Conference on Reparation — November 1945

In November 1945 the Governments of France, Great Britain and the United States invited the representatives of fifteen Governments whose peoples had taken part in the war against Germany to meet in Paris to decide upon the distribution of reparation from Germany. The Final Act of the Conference (Annex II) recommended the Governments represented to sign the Draft Agreement:

“In order to obtain an equitable distribution amongst themselves of the total assets which, in accordance with the provisions of this Agreement and the provisions agreed upon at Potsdam on 1st August, 1945, between the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland, and the Union of Soviet Socialist Republics, are or may be declared to be available as reparation from Germany (hereinafter referred to as German reparation), in order to establish an Inter-Allied Reparation Agency . . .”

The proportions to be received by each Signatory Government were based upon the material damage its economy had suffered, the loss of human life incurred, and its contribution to the war effort.

IV. Industrial Capital Equipment Made Available for Reparation — 1946—1949

1946

On the basis of “The Plan for Reparations and the Level of Post-War German Economy”, drawn up in Berlin by the representatives of the Occupying Powers in March 1946, it was estimated that the Agency would eventually have at its disposal for distribution to Member Governments approximately 1800 plants. The introduction to the Plan reaffirmed the principle of German economic unity as laid down at Potsdam, but in the following months the Occupying Powers could not agree on practical

measures by which this economic unity could be achieved. In May 1946, when only 12 plants had been made available as "advance deliveries", the Commander of the United States Zone of Occupation announced that, pending the achievement of economic unity, no further deliveries or allocation of industrial capital equipment would be made from his Zone. The British and French Authorities, without stating their position officially, followed his lead.

The Agency had no power to influence the Allied policy in Germany, but, since this suspension appeared to defeat the purpose of the Paris Agreement only just signed, it made clear that there was no reason why the practical provisions of the Potsdam Declaration relating to reparation should be set aside in their entirety pending the attainment of German economic unity, and that there existed in Germany a substantial volume of industrial equipment which could be made immediately available to I. A. R. A. nations. This point of view received very little attention at the time, and it was not until November 1946 that the Occupying Authorities of the Western Zones made available to I. A. R. A. a quantity of general-purpose machine-tools located in 51 plants situated in their zones. This equipment had a residual value of 42 million RM. (1938). At the same time, the Commanders of the British and French Zones put forward plans to release to I. A. R. A. general-purpose machine-tools and equipment from a certain number of other factories. The amount finally realised from these two plans was approximately 35 million RM. (1938). By the end of 1946, the Agency had been allocated only 110 plants and part-plants, and the total value of the industrial equipment allocated to it was 215 million RM. (1938).

The failure to make substantial allocations available to I.A.R.A. in 1946 largely nullified one of the essential intentions of the Potsdam Declaration in that very little industrial capital equipment was forthcoming at the time it was most needed to assist the economic reconstruction of countries whose industries during the course of the war had been looted, destroyed, over-worked, directed into uneconomic channels of war production and were unable to carry out necessary replacements, and schemes of modernisation. Some of these countries had sold the vast majority of their external assets and were in no position to buy industrial equipment abroad for their industries. In addition, they were in a bad position for acquiring fresh foreign exchange, because their most immediate need was to provide for their own people whose standard of living had fallen during the war. Other Governments,

which still had foreign exchange, discovered that the key machinery which they required from abroad to re-equip their industries could not be delivered for three or four years. These countries could only look towards industrial plants and machinery from Germany as the immediate source of necessary additional equipment for post-war reconstruction. Their disappointment was very great when the immediate economic importance of reparation was ignored in the political and economic policies which, either deliberately or through force of circumstances, the Occupying Powers adopted in 1946.

1947

As a result of the slow rate at which industrial capital equipment had been made available to I. A. R. A. in 1946, the Assembly of the Agency at its first meeting in 1947 sent a memorandum to the Council of Foreign Ministers setting out the views of the Agency. Subsequently, the President and the Secretary General of the Agency were invited to Moscow to put its views before the Council of Foreign Ministers. Commenting on the failure of the Allied Powers to carry out the reparation provisions of the Potsdam Agreement the President said: "The over-industrialisation of Germany for military purposes has created conditions in which, despite destruction and the exceptional wear and tear of war, there remains an industrial potential which in any case, and no matter what the outcome of present controversies may be, is vastly superior to the requirements of a peacetime economy".

The result of this Conference was disappointing to Member Governments of the Agency since the only practical conclusion which the Ministers agreed upon was that the removal and liquidation of German war plants should be completed by March 1948.

In the meantime, the problem of European reconstruction as a whole was being considered by the highest authorities in Europe and the U.S.A. At the time of the Harvard speech of Mr. Marshall, the United States Secretary of State, on 5 June 1947, in which the idea of European economic co-operation aided by American help was first put forward officially, the attitude of the Agency, as expressed by its President, was that even the resources of American industry could not supply immediately all the industrial equipment needed in Europe, and that German reparation therefore must be closely linked to any programme to be drawn up in accordance with the Marshall proposals.

In August 1947 the Occupying Powers of the Western Zones of Germany agreed upon a revised level of industry for Germany

and drew up a new list of plants available for reparation. The gross number of plants available under this scheme was provisionally 858, compared with more than 1800 factories which would have become available under the first level of industry plan. This new level of industry was designed to retain in Germany an industrial capacity approximately equal to that of 1936, whereas under the original plan Germany was only to retain an industrial capacity equivalent to 75% of the level of 1936 production. Despite the publication of this new list no further allocations had been made to the Agency by the end of 1947, at which time the Agency had received only 244 plants and part-plants valued at 274 million RM. (1938).

1948

On the assurance that the August 1947 list of plants available for reparation was final and subject to no major modifications, the Assembly, at the beginning of 1948, expected that the Western Zone Commanders would soon put at the disposal of the Agency a substantial number of plants for distribution. It was, however, not until July 1948 that the Assembly was notified of any further allocations, and then only 147 plants and part-plants of the gross list of 858 which had been published in the previous year, bringing the total number of plants and part-plants to date to 390.

Despite the statement of the Occupying Powers that the level of industry published in 1947 would leave enough industry in Germany to enable the German people to enjoy a reasonable standard of life, German industrialists, politicians, workers, and Church leaders, encouraged by sympathisers in Allied countries, openly organised an intensive campaign to have the plan revised. Opposition to even the revised Level-of-Industry Plan of 1947 became so strong, that Mr. Marshall found it necessary to state in the American Congress in January 1948 that: "the revised plan for the bizonal area leaves sufficient industrial capacity to pay for needed exports", and that, "an analysis of Germany's economic situation shows beyond question that the revised level of industry and the dismantling programme based on it have no present effect on Germany's ability to produce and export. Nor has the revised level been found an obstacle to planning the maximum feasible contribution by Germany to the general European recovery programme. It provides for the retention in the bizonal area of sufficient industrial capacity to provide a basis for the development of a reasonable standard of living and of a volume of industrial exports greater than prevailed in 1936 . . . Transferred German

plants are already contributing to the economic recovery of other European countries and may be expected to reduce the cost of American contribution to European aid".

In spite of this forthright statement, Congress sought further confirmation that the dismantling programme did not contravene the purpose of the European Recovery Programme, and added to the E. C. A. Act a provision which Mr. Hoffman, its Administrator, used to appoint an Advisory Committee of American industrial leaders (known as the Humphrey Committee) to study the revised level of German economy in relation to the European Recovery Programme and the policy of extracting reparation from Germany. During this year, organised protests in Germany grew in volume to such an extent that it became increasingly difficult for the officials responsible for the administration of the Western Zones to enforce orders concerning dismantling. At the end of 1948, the Agency had received 400 plants and part-plants valued at 419 million RM. (1938).

1949

In February 1949, it became known that the Humphrey Committee had recommended that 167 plants and part-plants of the 858 on the gross list of August 1947 should be retained in Germany. In April 1949, after a conference held in Washington between the representatives of the United Kingdom, the United States and France, it was announced that the Governments confirmed and approved agreements on the subject of plant dismantling, and on the subject of prohibited and restricted industries, the effect of which was to make certain changes in the Humphrey Committee proposals resulting in a decision to retain 161 plants and part-plants in Germany.

The Agency was still, however, not informed of the final list of plants to be made available as reparation. Continued opposition to dismantling in the United States now resulted in the adoption of a resolution by the Senate Appropriations Committee urging Mr. Hoffman to use his influence to curtail further dismantling. Certain sections of American opinion were so hostile to dismantling that it was even suggested in Congress that the second year's appropriation would be jeopardised if Mr. Hoffman decided that the policy on reparations should continue unchanged without a thorough investigation being undertaken. The Germans continued to protest with increasing vehemence about the size of the dismantling list, and succeeded in forcing the Allied Authorities in

Western Germany once more to reconsider the question of reparation.

In October, the West German Federal Parliament passed a resolution calling for the re-examination of the dismantling list, and a temporary halt in dismantling pending the decision arising out of this fresh investigation. Agitation against further dismantling was so strong that the Foreign Ministers of the three Occupying Powers met in Paris in November 1949, to review their German policy. The upshot of their discussions was a Draft Agreement on the future Government of Germany and on reparation. This Agreement was accepted and signed in November 1949 by the German Chancellor on behalf of Western Germany. On the dismantling issue (see page 19), it provided for the removal from the reparations list of ten synthetic oil and rubber plants and nine steel plants. Dismantling of the I. G. Farben plant at Ludwigshafen was to be discontinued, and all dismantling in Berlin was to cease. Except for the equipment in Berlin, all items already dismantled in these 20 plants were to be made available to this Agency.

The success of the anti-dismantling campaign may be measured by the German Chancellor's statement in the Federal Parliament in November 1949, that although several important factories were still retained on the dismantling list, notably the Hermann Goering Works, the Allied Control Authorities had met 90 % of the German wishes.

Shortly after the signing of this agreement, the Agency received from the Occupying Authorities of the three Western Zones the resulting list of plants which the Agency hopes is, this time, really final and inviolate. This final list of plants brings the number of plants made available to I. A. R. A. during the 4 years 1946—1949 to 668, with a residual value of about 714 million Reichsmarks (1938), (Annexes IV and V). The allocation of these plants is expected to be completed by the end of April 1950.

The historian will note with interest, and without surprise, that the signing by the German Chancellor of this Agreement has (as at January 1950) not checked the German campaign for yet further revision of dismantling and of the limitation on steel production.

In comparing the final results with the objectives of the reparation programme as stated at Potsdam, it is obvious that little correspondence is to be found between the two, and the reason is not far to seek. Before the provisions of Potsdam could be put into effect, political developments of major importance

caused a revision of the German policy upon which these provisions had been based. The new policy was slow in developing, and reparation deliveries waited upon its development. This fact alone did much to reduce the economic benefits of the original plan to Member Governments of the Agency.

The plants set aside for reparation were not only made available to I. A. R. A. slowly, but also reduced progressively and drastically in number, as can be seen from the following table:

March, 1946—Number of plants expected under first Level-of-Industry Plan	1800	100 %
August, 1947 — Number of plants remaining after revised Level-of-Industry Plan	858	48 %
February, 1949 — Number of plants remaining after Humphrey Committee Report	700	39 %
November, 1949 — Number of plants remaining after Petersberg Agreement	(Est.) 680	38 %

In short, in terms of numbers of plants alone, only 38 % of the original pool remains. The loss in value will never be accurately known, but it is proportionately much greater, since cuts were made not only by removing whole plants of great value from the reparation list, but also by leaving in Germany substantial parts of other plants which remained on the list.

The relatively small amount of industrial equipment finally allocated is shown by the fact that the 1938 replacement cost of industrial equipment made available to this Agency was only about 1,700 million Reichsmarks (1938), or about 1.3% of the replacement cost of the total investment in German industry in 1938. It is also to be noted that 31% of the industrial equipment allocated to this Agency came from plants devoted entirely to the production of armaments, explosives, and other munitions of war. A large part of these plants was built during the war and therefore could never have existed in Germany's peace-time economy. With these facts in mind, and considering the rapid rate at which the German economy is expanding, it seems clear not only that the payment of reparations has had very little effect upon the German economy, but also that the successive cuts made in the reparation programme had very slight economic justification.

In retrospect, the original reparation programme still seems economically reasonable, and economically useful, and its original time schedule sensibly defined. The more political factors upset the time schedule, the less economically effective did the plan become. The equipment received has been of considerable value to allied countries. The value of the reparation programme would have been incomparably greater had the equipment been made available within the time limit originally fixed.

V. German External Assets

The German enemy assets in the territories of Member Governments had been seized by them on the basis of their national legislation, and the Paris Agreement not only gave international sanction to their seizure, but also provided that these assets, estimated to have a *gross* value of some \$300 million (1938), should be charged over a five-year accounting period to the reparation accounts of the Member Governments in whose territories they were. With respect to the German enemy assets in the neutral countries, estimated to have a *gross* value of some \$125 million (1938), the Paris Agreement provided that France, the United Kingdom, and the United States should negotiate arrangements with the neutral Governments whereby these assets would be removed from German ownership and control and liquidated or disposed of, the net proceeds being made available to the Agency for distribution as reparation. (It should be noted that by "gross" is meant the total value of these assets *before* deductions and exclusions for administrative charges, claims against the assets, restitution, and, in the case of assets in neutral countries, the amounts conceded to those governments.)

In dealing with assets within the territories of Member Governments the Agency found that there were three main problems to be solved:

1. The settlement of conflicts of jurisdiction over these assets;
2. The adoption of standard Rules of Accounting; and
3. The enforcement of the security provisions of the Paris Act which required that German assets, disguised or otherwise, should be seized and that steps should be taken to prevent any German asset from returning once more to German ownership or control.

After lengthy discussions within the Agency during 1946 and 1947 on the possibility of reaching a universally acceptable general agreement for the settlement of conflicts of jurisdiction, it was

found that such agreement was impossible to attain. The Assembly, therefore, in 1948 called upon Member Governments to attempt through bilateral or multilateral arrangements to resolve any conflicts that might exist between them, if possible before 24 January 1950, on which date the penultimate annual valuations and charges under the Paris Act were to be made. In fact, by the end of 1949, most of the Governments having the greatest number of inter-custodial conflicts had made agreements to resolve their conflicts. However, the most important such agreement has not yet come into effect.

By the end of 1949, Member Governments had also made considerable progress in the disposal or liquidation of the assets within their jurisdictions. It can be estimated that about two-thirds in value of the assets within the territories of Member Governments had been liquidated at that time.

In 1948, the Assembly approved standard Rules of Accounting (Annex VIII) for the annual valuation of German assets within the territories of Member Governments, thereby assuring comparability in the Agency's accounting for such assets.

With regard to the security provisions of the Paris Agreement, the Agency organized an exchange of information between Member Governments and also between these Governments and the Occupying Authorities in Germany, in order to identify hidden German assets and to prevent their return to German ownership or control. In March 1949 a round-table meeting between Custodians of German property was held in Brussels and it is scheduled to be repeated in April 1950. At this meeting, the Custodians compared notes on the practical problems they faced in their administration of German property and discussed methods of defeating any efforts which might be made to circumvent the security provisions of the Paris Agreement.

German Assets in Neutral Countries

Between 1946 and 1949, the Governments of France, the United Kingdom and the United States, in accordance with the provisions of the Paris Agreement and on behalf of the Member Governments of the Agency, concluded various agreements with neutral countries for the seizure and liquidation of German assets within the jurisdiction of the latter.

In May 1946, an agreement was reached with the Government of Switzerland (Annex IX) according to which half the product of the liquidation of German external assets in Switzerland

was to be placed at the disposal of the Allies. The total proceeds were expected to be at least Swiss francs 500 million of which the Agency would receive at least 250 million. The former German owners of these assets were to be compensated in German currency, Switzerland undertaking to furnish half the necessary funds.

When, in 1947 and 1948, the Agency received discouraging reports about the slow progress made by the Swiss in liquidating these assets, and in particular when it was learned that the Swiss were using dilatory tactics, the Assembly adopted strong Resolutions on the subject, and in particular on 16 March 1948 called for an advance of at least 100 million Swiss francs to be made immediately available for distribution on reparation account.

The Swiss Government insisted that before German assets were liquidated, a rate of exchange between the Swiss franc and the German mark should be fixed in order that German nationals deprived of assets in Switzerland should receive adequate compensation, and demanded that it should take part in the negotiations which fixed the rate of exchange.

In May 1949 the Negotiating Powers met in Washington with representatives of the Government of Switzerland in order to try and resolve the deadlock. Little progress was made, however, because the Swiss now also asserted that the Agreement of May 1946 automatically settled in Switzerland's favour its intercustodial conflicts with Member Governments of the Agency, a view which is rejected by the Agency and its Member Governments. The discussions were eventually deferred in order to give the Government of Switzerland opportunity to arrange bilateral agreements on its intercustodial conflicts with individual Member Governments of the Agency.

Up to the end of 1949, more than 3½ years after the signing of this Agreement, the Agency has received nothing from the proceeds of liquidation of German assets in Switzerland.

In June 1946, an Agreement with the Government of Sweden (Annex X) was negotiated according to which Swedish kronor 225 million was to be made available for distribution to Member Governments of I.A.R.A. This amount was a net figure, the total gross value of German assets in Sweden being estimated at about Swedish kronor 400 million and the difference being used by the Swedish Government to pay Swedish creditors with claims against Germany. This Agreement provided that of this net amount, Swedish kronor 150 million should be allocated to the Western Occupying Powers and spent on purchase of Swedish

goods for export to Germany as a preventive of disease and unrest. This sum was duly paid. The remainder, a sum of Swedish kronor 75 million, was to be made available to Member Governments of the Agency by means of an allocation by the Swedish Government after, however, having given favourable consideration to the views of the Negotiating Powers.

Almost immediately after the signing of this Agreement a difference arose as to its interpretation. The Swedish Government, after receiving from the Negotiating Powers the Assembly's proposed allocation of the Swedish kronor 75 million, refused to accept it, and offered instead an allocation which would have given the bulk of these funds to Norway, Denmark and the Netherlands (which had already received more than their agreed shares of reparation) and which would have, at the same time, given nothing to certain other Member Governments.

As by September 1949, no progress had been made in resolving this deadlock, the Assembly, in view of the time already lost, adopted a Resolution reluctantly accepting the allocation proposals of the Swedish Government. At the end of 1949, none of the 75 million Kronor had been paid.

An Agreement on German assets in Spain was concluded in May 1948 and it was estimated that a total of pesetas 525 million would thereby be made available to the Agency. The total value of the German assets in Spain was estimated at about pesetas 650 million and the difference was to be used by the Spanish Government for payment to creditors. One month later, the first allocation of 80 million pesetas was made, and in May 1949 an additional 50 million pesetas were allocated. By the end of 1949, liquidation of German assets in Spain was in full swing, and it is expected that the remainder of the total amount will be made available during the course of the year 1950.

Although the Agreement with Portugal concerning German external assets in that country had not yet been signed at the end of 1949, the Government of Portugal in April 1949, enacted a Decree creating a commission to undertake the liquidation of German assets in its territory. The Negotiating Powers are represented on this commission and the Decree Law, therefore, is a step towards the signing of this Agreement.

No appreciable amounts are expected from any other neutral country, except in the case of Turkey, where negotiations will probably shortly begin.

VI. Other Types of German Assets as Reparation, 1946—1949

German Merchant Shipping

At the Paris Conference on Reparation, it was decided that German merchant shipping should be allocated in proportion to the losses in tonnage suffered by each Member Government through acts of war. Governments represented at the Conference estimated their losses at 23,610,000 gross tons, a figure representing 54% of the total tonnage which they had possessed in June 1939. As against this figure the Agency had at its disposal only 254 ships totalling 750,000 tons. The compensation which it could offer, therefore, was not more than 3% of the total loss. In May 1946 the Assembly approved the allocation of 686,334 tons of shipping and in the following three years it disposed of the remainder (Annex VII).

U.S.S.R. Reciprocal Deliveries

The U.S.S.R. at Potsdam undertook to deliver foodstuffs and raw materials to an amount equivalent to 60% of the value of the industrial equipment which she would receive from the Western Zones of Germany. Such deliveries were to begin as soon as possible and to be completed within five years. The Agency, in March 1947, notified the Commanders of the four Zones in Germany of the types and quantities of commodities which Member Governments desired to receive, and in October 1947, the U.S.S.R. presented the first list of commodities it proposed to make available. This list included a disproportionate amount of synthetic rubber which Member Governments did not want, but the remaining items to the value of 5,967,885 RM (1938) were delivered during the first half of 1948. In May 1948 a second allocation of commodities proposed by the Soviet Government was approved by the Assembly. Difficulties soon arose, however, between the Soviet Zone Commander and the Commanders of the three Western Zones, concerning the delivery points of these commodities. In December 1948, the Secretary General wrote to the three Western Zone Commanders asking for the date of the delivery of this second consignment, but at the end of 1949 delivery has still not taken place. To date, the U.S.S.R. has therefore delivered only 5,967,885 RM worth of commodities against the approximately 50 million RM (1938) which represent 60% of the value of the industrial equipment which it has received from the Western Zones of Germany (Annex VI).

Captured Enemy Supplies

The Act of Paris stated that “The value of supplies and other materials susceptible of civilian use captured from the German Armed Forces in areas outside Germany and delivered to Signatory Governments shall be charged against their Reparation shares insofar as such supplies and materials have not been or are not in the future either paid for or delivered under arrangements precluding any charge”.

The only Member Governments reporting captured enemy supplies were Belgium, Denmark, France, Holland, Luxemburg and Norway. Among other things, the Governments of France and Belgium reported that they had paid 23,000,000 French francs, and 2,540,000 Belgian francs, respectively, for captured enemy supplies delivered to them by British and American Armed Forces. In May 1947, the Assembly decided that these sums should be allocated to France and Belgium respectively. In June 1948, in its final action on captured enemy supplies, the Assembly agreed that supplies which had been in the ownership of the reporting country prior to their acquisition by the enemy, and which were not produced by order of the enemy, and supplies which were produced or constructed in the reporting country from its own materials or labour, should not be charged to the reparation accounts of the reporting Governments, but only the remaining net values reported should be charged.

PART TWO

WORK OF THE AGENCY IN 1949

INDUSTRIAL CAPITAL EQUIPMENT

Allocations Received

In 1949, the Agency received as reparation from Western Germany industrial capital equipment with a total residual value of 304,904,672 RM (1938). Of this total, equipment with a residual value of 295,028,132 RM was obtained from 268 plants or part-plants. The remainder — to a value of 8,876,540 RM — came from unidentified plants. The great bulk of this equipment was not allocated to the Agency until near the close of the year. At the beginning of November, for example, only 107 plants and part-plants of the 268 allocated to the Agency in 1949 had been notified as reparation to the Agency.

During November, however, the three Occupying Powers negotiated certain reparations issues with the German Government. Upon the conclusion of the negotiations, the Petersberg Agreement respecting dismantling was announced as follows:

"On the question of dismantling, the High Commission has reviewed the present position in the light of the assurances given by the Federal Governments and has agreed to the following modification of the programme. The following plants will be removed from reparations list and dismantling of their equipment will cease forthwith.

A. Synthetic oil and rubber plants. Farbenfabriken Bayer, Leverkusen (except for certain research equipment at these plants involving an important security element); Chemische Werke, Huels; Gelsenberg Benzin A. G.; Hydrierwerke Scholven A. G.; Ruhroel G. m. b. H. Bottrop; Ruhrchemie, A. G.; Gewerkschaft Victor; Krupp Treibstoff G. m. b. H.; Steinkohlenbergwerke; Dortmund Paraffin; Essener Steinkohle A. G.

B. Steel plants — August Thyssen Huette, Duisburg, Hamborn; Huettenwerke Siegerland, Charlottenhuette; Deutsche Edelstahlwerke, Krefeld; August Thyssen Huette, Niederrheinische Huette; Kloeknerwerke, Duesseldorf; Ruhrstahl A.G. Heinrichshuette, Hattingen; Bochumer Verein Gusstahlwerke, Bochum.

Except that electric furnaces not essential to the functioning of the works will continue to be dismantled or destroyed.

- C. Further dismantling at the I. G. Farben plant at Ludwigs-hafen will not take place except for the removal of the equipment for the production of synthetic ammonia and methanol to the extent provided for in the reparation programme.
- D. All dismantling in Berlin will cease and work on the affected plants will be again rendered possible.

It is understood that equipment already dismantled will be made available to I. A. R. A. (Inter-Allied Reparation Agency) except in the case of Berlin. The present modification of the reparations list will not affect the existing prohibitions and restrictions upon the production of certain materials. Dismantled plants may be reconstructed or re-equipped only as permitted by the Military Security Board, and those plants at which dismantling has been stopped will be subject to suitable control to ensure that the limitation on the production of steel (11.1 million tons per annum) is not exceeded."

At the close of the year, the Agency had not been informed regarding either the precise equipment affected in the plants listed above, or its residual value.

Upon the announcement of the Petersberg Agreement, the Agency was allocated the equipment from 161 plants and part-plants. This was approximately 60% of the total allocation of industrial equipment made to the Agency during the entire year.

ALLOCATIONS BY YEARS

During the years 1946—1949, equipment from more than 668 plants and part-plants has been allocated to the Agency as follows:

Year	No. of Plants (⁽¹⁾ and Part-Plants	Total Residual Value (Million RM's, 1939)	% of Total Value By Years.
1946	110	215	30
1947	134	59	8
1948	156	145	20
1949	268	295 (⁽²⁾)	42
Total	668	RM. 714 million (⁽³⁾)	100

One of the most interesting facts revealed by the table above is the proportion of the total allocation of industrial equipment received by the Agency during each of the past four years. As can be seen, the bulk of the allocations were made in the first and the fourth years. In 1947, the second year of the Agency's existence, it received only 8% of the four-year total, and, in 1948, only 20%. To a great extent, this falling-off in the Agency's receipt of allocations was due to the sixteen-month interval between the abandonment of the first Level-of-Industry Plan in May, 1946, and the issuance of the Revised Plan in August, 1947. It is also of interest to note that approximately one-quarter of the Agency's four-year total of allocations of industrial equipment was received in November, 1949.

The following table shows the classification by industrial groups of the plants from which equipment was allocated to the Agency during the years 1946—1949.

As its figures show, Germany's iron and steel industry contributed 30% of the total value of all industrial equipment allocated to the Agency in the four years 1946 to 1949. Over 93% of this equipment was made available to the Agency however only in 1949. The iron and steel industry contributed to reparations the highest proportion of any one industry classification. The chemical industry was second, with 25%. Mechanical engineering war plants were third, with 13% of the total, and the air-craft industry, with about 10% of the total, came fourth. War plants as a group accounted for about 32% of industrial equipment reparations.

(¹) The word "plant" means any industrial unit in Western Germany from which equipment has been taken as reparation and allocated to the Agency. In many cases, the Agency has received only part of a plant's equipment, the remainder being left to the German economy.

(²) Excludes the value of equipment obtained from unidentified plants.

(³) From this must be deducted the value, at present unknown, of the equipment withdrawn as a result of the Petersberg Agreement of November 1949.

Industrial Group	1946			1947			1948			1949			Total 1946—1949	
	No. of Plants	Residual Value (RM. 1000)	No. of Plants	Residual Value (RM. 1000)	No. of Plants	Residual Value (RM. 1000)	No. of Plants	Residual Value (RM. 1000)	No. of Plants	Residual Value (RM. 1000)	No. of Plants	Residual Value (RM. 1000)		
Iron and steel products	1	3,325	1	792	2	10,447	69	196,448	73	211,012				
Non-Ferrous metals	1	1,015	1	228	7	11,048	10	18,950	19	31,241				
Shipbuilding	1	7,430	—	—	—	—	4	8,040	5	15,470				
Mechanical engineering:														
Machine tool manufacture	6	10,260	1	93	10	1,775	11	970	28	13,088				
Anti-friction Bearings	1	7,025	—	—	1	685	—	—	2	7,710				
War plants	26	24,552	31	24,879	18	33,425	9	12,825	84	95,481				
Other plants	3	12,246	9	1,883	70	40,002	92	26,601	174	80,732				
Precision instruments: (including watch-making plants used for manufacture of precision instruments for war purposes)	1	344	5	1,113	16	3,045	11	969	33	5,471				
Chemical	—	—	—	—	19	5,664	39	15,196	58	20,860				
Chemical (War plants)	31	100,605	5	12,171	7	30,039	7	11,905	50	154,720				
Aircraft industry:														
Frames (War plants)	24	3,299	52	11,409	4	544	11	2,276	91	17,528				
Aero-engines (War-plants)	12	37,913	29	6,152	2	8,200	4	1,012	47	53,277				
Electric power stations	3	7,224	—	—	—	—	—	—	3	7,224				
Miscellaneous (including collections of engineering machines)	—	—	—	—	—	—	1	36	1	36				
Grand Totals	110	215,238	133	58,720	156	144,874	268	295,028	668	713,860				

Allocations Made by the Agency

The following table shows, by years, the value of the equipment allocated by the Agency, and the number of plants from which the equipment was taken, so far as they were identified:

Year	Value of equipment allocated by the Agency (in RM. 1000)	
1946	74,000	from 31 plants
1947	132,000	from 166 plants
1948	86,603	from 157 plants
1949	169,800	from 135 plants

In urging the Occupying Powers to make industrial equipment available as quickly as possible, the Agency has stressed not only the greater value to Member Governments of equipment received promptly, but it has also pointed out that it would thus be materially assisted in speeding-up its own sub-allocations. There was striking proof of the truth of this argument in December, 1949. The due date for bids for 155 of the 161 plants made available to the Agency in November of that year fell in December. No less than 126 of these 155 plants were bid for as whole units, a higher proportion than at any other time in the history of the Agency. It is anticipated that all remaining industrial capital equipment will have been allocated to Member Governments before the end of April, 1950.

Among the more important plants allocated during 1949 were the three great steel works of Herman Goering (Watenstedt), August Thyssen (Duisburg), and Friedrich Krupp (Essen). The Goering plant was divided between eight Member Governments, the major portions going to the United Kingdom, France, Belgium, Yugoslavia and Greece, and smaller parts to Norway, Albania and India. The greater part of the Thyssen plant was allocated to the United Kingdom, with smaller shares to Greece, France, the Netherlands, Czechoslovakia and Denmark. Parts of the Krupp works were allocated to France, the United States, Czechoslovakia, Yugoslavia, Albania, the United Kingdom, the Netherlands, Australia, Norway and Belgium.

Other steel plant allocations of interest were the two Ruhrstahl works at Witten-Annen and Hattingen, which were divided

between eight Member Governments; the Bochumer Verein and the Dortmund Hoerde works which were allocated as a whole to the United Kingdom; and the Bayerische Stahl-industrie at Remscheid, which was divided between ten Member Governments.

Subsequent to these allocations, however, an unspecified portion of the steel plants, equipment at Thyssen (Hamborn and Niederrheinische Hütte), the Ruhrstahl works at Hattingen and the Bochumer Verein was withdrawn from the reparation list by the Occupying Powers, as a result of the Petersberg Agreement.

Two aluminium-producing plants were allocated during 1949: the Vereinigte Leichtmetallwerke at Laatzen which went to the United Kingdom, and the Aluminium Walzwerke at Wutoschingen, which was divided between France, the United States and Yugoslavia. Part of a small ball-bearings factory was shared between Australia, the Netherlands and Yugoslavia.

Among the chemical plants allocated in 1949 were the Ruhrbenzin plant at Oberhausen, which was divided between France, the Netherlands, the United Kingdom, Yugoslavia and Albania, the Farben synthetic ammonia plant at Oppau shared by France and Belgium, and the Farben methanol plant at Oppau, which was allocated to India.

The allocation work of the Agency during 1949 continued as before to be carried out in a general atmosphere of co-operation and understanding. In view of the importance of the equipment being allocated, it might have been expected that there would be sharp competition in bidding by rival Member Governments and that it would prove difficult to settle such cases. While the competition has been keen in many cases, it has been possible, by negotiation and mutual concessions, to reach decisions acceptable to all the Governments concerned. This is shown by the fact, among other things, that during 1949 there has not been a single occasion where a Government has had recourse to arbitration.

The following table shows the total net weight of industrial equipment allocated to I.A.R.A. year by year, and the progress of its subsequent re-allocation by the Agency, its dismantling and shipment:

Year	Zone	Allocated to I. A. R. A.	Allocated by I. A. R. A.		
			Total	Dismantled	Shipped
Thousand metric tons					
1946	American	105	11	1	1
	British	174	34	10	8
	French	10	—	—	—
1947	Total	289	45	11	9
	American	25	54	46	38
1948	British	42	51	36	31
	French	1	7	6	1
	Total	68	112	88	70
1949	American	20	75	88	92
	British	202	158	121	92
	French	6	4	3	7
1949	Total	228	237	212	191
	American	15	13	18	22
1949	British	571	529	509	323
	French	27	27	17	17
	Total	613	569	544	362
Cumulative totals:					
	American	165	153	153	153
	British	959	772	676	454
	French	44	38	26	25
	Total	1,198	963	855	632

In addition, the following equipment was allocated and shipped under the two Emergency Delivery Schemes:

	Allocated Tons	Shipped Tons
American Zone	—	—
British Zone	17,100	15,400
French Zone	8,500	8,400
Total:	25,600	23,800

Russian Reciprocal Deliveries

There were no receipts of Russian reciprocal deliveries in 1949, since the Western Zone Commanders and the Soviet authorities were still unable to reach an agreement regarding delivery points.

German Merchant Shipping

One partially completed ship, Deutschwerft No. 467, which had been made available to the Agency in 1949, was allocated

by the Assembly to Yugoslavia during 1949. Nothing further has been made available by the Occupation Authorities, and the allocation of German merchant shipping as reparation may therefore be regarded as completed.

GERMAN EXTERNAL ASSETS

Assets located in Member Countries

In 1949, as in previous years, the main activities of the Agency with respect to German External Assets have centred around:

- (i) standardizing and auditing the annual valuations submitted by Member Governments;
- (ii) facilitating the reconciliation of the conflicting claims of Member Governments to German External Assets; and
- (iii) assisting Member Governments in discovering and maintaining their seizure of German Assets within their jurisdictions.

During the past year, special emphasis has been placed on hastening the settlement of the final problems facing the Agency. To this end, the Agency invited the Custodians of Enemy Property of Member Governments to come to Brussels in March for an informal discussion of their common administrative problems.

Since this Conference revealed several problems which warranted closer study within the Agency, the Assembly, in September, authorised the Secretary General to nominate from among Member Delegates an *Ad Hoc* Committee to consider all outstanding problems in the field of German External Assets, and where possible to make recommendations to the Assembly for their solution. This Committee held seven Meetings in 1949 and, as a result of its deliberations, action was taken by the Assembly in a number of cases which are reviewed more fully below.

(i) Annual Valuations

The Fourth Annual Questionnaire on Valuation sent to Member Governments has this year been followed by a Supplementary Questionnaire designed to discover the degree of double-accounting or of no-accounting which may exist with respect to assets subject to unresolved inter-custodial conflicts. An asset seized as German-enemy-owned by one Member Government may also be held seized in the territory of another Member Government. There is, therefore, a danger both countries may return the value

of such assets in their Annual Estimates or, equally, that neither country may account, each believing that the other party is alone responsible for this accounting. If the answers to this Supplementary Questionnaire show a widely divergent practice as between Member Governments, the Agency will have to consider how assets subject to unresolved inter-custodial conflicts shall be accounted for pending settlement of these conflicts.

Under Article I F, Part I, of the Paris Agreement, the charges for the German assets within each Member Government's jurisdiction are spread over five years, and it is stated that the charges at the end of the fifth year (as at 24 January 1951) shall be "the remainder of the total amount actually realised". Since it seems likely that a number of Member Governments will not have completed their liquidation of the German assets within their jurisdiction by this date, the Assembly considered the problem at a meeting in December.

(In January 1950 the Assembly adopted a Resolution calling upon Member Governments to hasten liquidation, but providing that if liquidation could not be completed by the final accounting date the final charge should be based in part on an estimate of the value of the assets then unliquidated).

During the year, much interest has been shown in the policies which each Member Government is adopting toward its discretionary powers under the Act of Paris to deduct from the total of the German assets within its jurisdiction the sums actually paid out in respect of unsecured contract claims of its nationals against German debtors who have specific property in the country concerned which can be attached to such debts. For their own guidance, Member Governments are interested in learning what policy other Member Governments plan to adopt. Consequently, attention has been focused on the United Kingdom which has recently passed legislation placing the German external assets within its jurisdiction into a pool for the payment of British creditors.

(ii) Conflicting Claims

Owing to delays in ratification, the Agreement of 5 December 1947 signed by the United States, Canada, the Netherlands, Belgium, Luxembourg and Denmark has not yet come into force.

During the year, two bi-lateral agreements for the resolution of inter-custodial conflicts have been reached by Member Governments. On 3 August 1949, the Danish and British Custodians

exchanged correspondence constituting a bi-lateral agreement between their two countries, and, on 20 September 1949, an agreement was signed between the Government of the United Kingdom and the Government of the Netherlands. This latter agreement awaits ratification by the two Governments.

A further contribution to the settlement of inter-custodial conflicts was made when in December 1949, the Assembly adopted a Resolution (Annex XIII) requesting all Member Governments which held German-enemy-owned securities certificates issued in the territory of other Member Governments to release them on a reciprocal basis to the latter Member Governments without awaiting the settlement of other inter-custodial conflicts between them. The Resolution also requested any Member Government whose present legislation did not permit such release to transmit on a reciprocal basis to the Member Governments of the countries of issue lists of the certificates held, together with sufficient information to enable the latter to identify and account for such assets. The Resolution provided that both the return of securities or the provision of lists should take place, if possible, before 24 January 1950, the closing date for the 4th Annual Questionnaire on Valuation.

(iii) Intelligence and Security

While, in 1948, over 100 investigations were undertaken in Germany at the request of Member Governments, the continued co-operation of the investigation offices of the Western Occupying Powers enabled more than 160 such investigations to be undertaken during 1949. As a result, much useful information has been made available to Member Governments to enable them to decide on the status of German interests in enterprises in their respective territories. In many cases, documentary evidence has been given to Member Governments to enable them either to take custodial action against such German interests, or to defend actions in their courts for the release of assets from seizure. In some 60 cases, custodial action was begun by Member Governments during the year for the purpose of seizing accountable assets as a direct result of information brought to their notice through these investigations.

Under German Occupation Laws, which put under the control of the Occupying Authorities all German-owned assets abroad, the erstwhile German owners were obliged to report to the Occupying Authorities full details of all their foreign holdings.

These voluminous reports were tabulated and classified by countries, and I.A.R.A. Member Governments were supplied with these census tabulations. As a result of their study of these lists, Custodians, in 1949, have requested enquiries regarding more than 10,000 items in these tabulations.

During the year, the attention of the Delegates of the Occupying Powers was drawn to the fact that the Assembly was still without any reply to its previous representations calling upon the Occupying Powers in Germany for a return to each Member Government of all securities certificates originally issued in the territory of a Member Government but which have been found in Germany, and were owned by German nationals who had been dispossessed of this property by virtue of the Paris Agreement and of Allied Control Council Law No 5.

The Occupying Powers also hold in Germany important sums of currencies issued by neutral Governments. Under the test of issue and by virtue of Article 6—C, Part I, of the Paris Agreement (Annex II) these monies are considered to be German external assets which should form part of the I.A.R.A. reparation pool. In April 1949, the Delegates of the three Negotiating Powers were asked to draw the attention of their Governments to these neutral currencies, and to send information as to when they would be made available for distribution under the Paris Agreement. The year closed without any reply having been received to either of the two foregoing requests.

Assets Located in Neutral Countries

Switzerland

In a Note to the Government of France, dated 6 July 1948, the Government of Switzerland had stated that it considered that "the problem of inter-custodial conflicts is a question of interpretation of the (Washington) Agreement of 25 May 1946". The Government of Switzerland later expressed the view that I.A.R.A. Member Governments were bound to release in their territories property of companies in Switzerland considered by the Joint Commission set up under the Washington Accord not to be German controlled, such decisions being considered by the Government of Switzerland as having extra-territorial effect. On 14 January 1949, the Assembly adopted a Resolution giving its opinion that

the Washington Agreement was clearly limited in scope to German assets located in Switzerland, and that its language demonstrates that the Negotiating Powers recognised that no authority was conferred on them to bind Members of this Agency so as to affect their rights over assets within their own jurisdiction. The Resolution also stated that the decisions of the Joint Commission could not be binding or have extra-territorial effect on assets within the jurisdiction of Members of this Agency, and requested the representatives of the Negotiating Powers to inform their respective Governments of these views. They were further requested to point out that the problem of inter-custodial conflicts between the Government of Switzerland and Members of this Agency did not involve the Washington Agreement, and that such conflicts could be resolved only by negotiations between the Government of Switzerland and the Member Government concerned.

The Negotiating Powers met with the Swiss Representatives in Washington on 10 May 1949. A number of minor points were quickly settled. The Swiss Representatives, however, maintained that Switzerland's inter-custodial conflicts with Members of the Agency were settled by the Washington Accord. The Negotiating Powers rejected this view, and took their stand on the Assembly's Resolution of January 14. Further discussion thus had to be deferred to give the Government of Switzerland the opportunity to resolve its inter-custodial conflicts by means of bilateral agreements with Member Governments of the Agency. Talks to this end were held during the latter half of 1949. It is hoped that the Government of Switzerland will be meeting again with the Negotiating Powers early in 1950, and that the implementation of the Washington Accord will then be quickly effected.

Spain

In contrast to the difficulties which have beset the Agency's relations with the Government of Switzerland, the implementation of the Accord on German External Assets in Spain concluded in Madrid on 10 May 1948 (Annex XII) has progressed steadily.

In 1948, it will be recalled, a sum of 80 million pesetas was allocated by the Assembly. In the middle of May 1949, the Assembly allocated a further 50 million pesetas, the sums held in dollars and pounds sterling, and the proceeds from the liquidation of German external assets in the International Zone of Tangiers. The Agency has been informed that it is hoped to make available for distribution early in 1950 a further sum of 100 million pesetas.

Because certain Member Governments have no diplomatic or commercial relations with Spain, they are unable to make use of the pesetas allocated to them, for the Spanish Government imposed certain limitations on the use to which these monies can be put. The Government of France has therefore arranged with the Governments of Yugoslavia and of Albania to take over the peseta allocations made to the latter two in exchange for equivalent compensation. Other Member Governments are also willing to consider similar arrangements.

Sweden

In July 1949, a Representative of the three Negotiating Powers, informed the Agency that the Negotiating Powers had placed the views of the Agency as forcefully as possible before the Swedish Government, but that they had not succeeded in persuading it to change its views regarding the allocation of the 75 million Kronor still due from it (Annex XI).

The problem was therefore reconsidered by the Assembly in September. At this time it adopted a Resolution reluctantly accepting the allocation proposals made by the Swedish Government, and expressed the hope that each recipient Government would be permitted to use its allocation in the form of new credits rather than in the remission or reduction of existing debts (Annex XI). The Resolution was worded in this way because the Swedish Government will be allocating a proportion of the 75 million Kronor to certain Member countries which, under the Agency's allocation policies, would not be entitled to receive Swedish funds, being already overdrawn in their Category A Accounts. It is understood that the Swedish Government had proposed that these funds be used to amortize existing long-term credits. If it continues to insist upon this method of payment, it will place certain Member Governments in the embarrassing position of having long-term credits prematurely reduced while, at the same time, becoming liable for immediate repayments. The effect, of course, would be to turn their long-term credits into debts payable on demand. A solution is still being sought through negotiations with the Swedish Government by the Member Governments concerned.

Portugal

The Draft Agreement made between the Government of Portugal and the three Negotiating Powers concerning German external assets in the former country has not yet been signed, but

there is hope of an early resolution of the difficulties which have arisen. In April 1949, the Government of Portugal indicated its good intentions by enacting a Decree creating a Commission of three to undertake the liquidation of German assets in Portugal. One Member of this Commission is nominated by the Portuguese Ministry of Finance, the second jointly by the Governments of France, Great Britain and the United States, and the third by mutual agreement between all the parties. This Decree Law gives some practical effect to the Agreement awaiting signature, and it is satisfactory to learn that the liquidation of German assets in Portugal is proceeding.

REPARATION ACCOUNTING

Realising the difficulties the Commander of the British Zone had to contend with to obtain the materials required to clean, mark, and pack reparation items, and also taking into account the necessity of speeding up the deliveries of industrial equipment as much as possible, the Assembly agreed in principle that as from 1 April 1949 a charge of one shilling per ton should be made to offset the cost of importing these materials into Germany. The Assembly, however, reserved its right to raise the question at some later date as to whether or not these expenses should be charged against the German economy.

On 13 January 1949, the Assembly adopted a proposal made by the Delegate of France that, as a result of the economic attachment of the Saar to France decided upon by the three Western Occupying Powers, 70 million RMs. be charged to the Category A Reparation account of the Government of France.



N. E. P. SUTTON
Secretary General

ANNEX I
EXTRACTS FROM THE COMMUNIQUE PUBLISHED AT THE END
OF THE POTSDAM CONFERENCE

(2nd August, 1945)

III—B. ECONOMIC PRINCIPLES

11. In order to eliminate Germany's war potential, the production of arms, ammunition and implements of war as well as all types of aircraft and sea-going ships shall be prohibited and prevented. Production of metals, chemicals, machinery and other items that are directly necessary to a war economy shall be rigidly controlled and restricted to Germany's approved post-war peace-time needs to meet the objectives stated in Paragraph 15. Productive capacity not needed for permitted production shall be removed in accordance with the reparations plan recommended by the *Allied Commission on Reparations* and approved by the Governments concerned or if not removed shall be destroyed.

12. At the earliest practicable date, the German economy shall be decentralized for the purpose of eliminating the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts and other monopolistic arrangements.

13. In organizing the German economy, primary emphasis shall be given to the development of agriculture and peaceful domestic industries.

14. During the period of occupation Germany shall be treated as a single economic unit. To this end common policies shall be established in regard to:

- (a) mining and industrial production and allocation;
- (b) agriculture, forestry and fishing;
- (c) wages, prices and rationing;
- (d) import and export programmes for Germany as a whole;
- (e) currency and banking, central taxation and customs;
- (f) reparation and removal of industrial war potential;
- (g) transportation and communication.

In applying these policies account shall be taken, where appropriate, of varying local conditions.

15. Allied controls shall be imposed upon the German economy but only to the extent necessary:

- (a) to carry out programmes of industrial disarmament and demilitarization, of reparations, and of approved exports and imports;
- (b) to assure the production and maintenance of goods and services required to meet the needs of the occupying forces and displaced persons in Germany and essential to maintain in Germany average living standards not exceeding the average of standards of living of European countries. (European countries means all European countries excluding the United Kingdom and the Union of Soviet Socialist Republics);
- (c) to ensure in the manner determined by the Control Council the equitable distribution of essential commodities between the several zones so as to produce a balanced economy throughout Germany and reduce the need for imports;

- (d) to control German industry and all economic and financial international transactions, including exports and imports, with the aims of preventing Germany from developing a war potential and of achieving the other objectives named herein
 - (e) to control all German public or private scientific bodies, research and experimental institutions, laboratories, etc., connected with economic activities.
16. In the imposition and maintenance of economic controls established by the Control Council, German administrative machinery shall be created and the German authorities shall be required to the fullest extent practicable to proclaim and assume administration of such controls. Thus it should be brought home to the German people that the responsibility for the administration of such controls and any breakdown in these controls will rest with themselves. Any German controls which may run counter to the objectives of occupation will be prohibited.

17. Measures shall be promptly taken:

- (a) to effect essential repair of transport;
- (b) to enlarge coal production;
- (c) to maximize agricultural output; and
- (d) to effect emergency repair of housing and essential utilities.

18. Appropriate steps shall be taken by the Control Council to exercise control and the power of disposition over German-owned external assets not already under the control of United Nations which have taken part in the war against Germany.

19. Payment of Reparations should leave enough resources to enable the German people to subsist without external assistance. In working out the economic balance of Germany the necessary means must be provided to pay for imports approved by the Control Council in Germany. The proceeds of exports from current production and stock shall be available in the first place for payment for such imports.

The above clause will not apply to the equipment and products referred to in paragraphs 4 (a) and 4 (b) of the reparations Agreement.

IV. REPARATIONS FROM GERMANY

In accordance with the Crimea decision that Germany be compelled to compensate to the greatest possible extent for the loss and suffering that she has caused to the United Nations and for which the German people cannot escape responsibility, the following agreement on reparations was reached:

1. Reparation claims of the U.S.S.R. shall be met by removals from the zone of Germany occupied by the U.S.S.R. and from appropriate German external assets.
2. The U.S.S.R. undertakes to settle the reparation claim of Poland from its own share of reparations.
3. The reparation claims of the United States, the United Kingdom and other countries entitled to reparations shall be met from the Western Zones and from appropriate German external assets.

4. In addition to the reparations to be taken by the U. S. S. R. from its own zone of occupation, the U. S. S. R. shall receive additionally from the Western Zones:

(a) 15 per cent. of such usable and complete industrial capital equipment, in the first place from the metallurgical, chemical and machine manufacturing industries, as is unnecessary for the German peace economy and should be removed from the Western Zones of Germany in exchange for an equivalent value of food, coal, potash, zinc, timber, clay products, petroleum products, and such other commodities as may be agreed upon.

(b) 10 per cent. of such industrial equipment as is unnecessary for the German peace economy and should be removed from the Western Zones, to be transferred to the Soviet Government on reparation account without payment or exchange of any kind in return.

Removals of equipment as provided in (a) and (b) above shall be made simultaneously.

5. The amount of equipment to be removed from the Western Zones on account of reparations must be determined within six months from now at the latest.

6. Removals of industrial capital equipment shall begin as soon as possible and shall be completed within two years from the determination specified in paragraph 5. The delivery of products covered by 4 (a) above shall begin as soon as possible and shall be made by the U.S.S.R. in agreed instalments within 5 years of the date thereof. The determination of the amount and character of the industrial capital equipment unnecessary for the German peace economy and therefore available for reparations shall be made by the Control Council under policies fixed by the Allied Commission on Reparations with the participation of FRANCE, subject to the final acceptance of the Zone Commander in the Zone from which the equipment is to be removed.

7. Prior to the fixing of the total amount of equipment subject to removal, advance deliveries shall be made in respect of such equipment as will be determined to be eligible for delivery in accordance with the procedure set forth in the last sentence of paragraph 6.

8. The Soviet Government renounces all claims in respect of reparations to shares of German enterprises which are located in the Western Zones of occupation in Germany as well as to German foreign assets in all countries except those specified in paragraph 9 below.

9. The Governments of the United Kingdom and United States renounce their claims in respect of reparations to shares of German enterprises which are located in the Eastern Zone of occupation in Germany, as well as to German foreign assets in Bulgaria, Finland, Hungary, Rumania and Eastern Austria.

10. The Soviet Government makes no claim to gold captured by the Allied troops in Germany.

ANNEX II

AGREEMENT ON REPARATION FROM GERMANY, ON THE ESTABLISHMENT OF AN INTER-ALLIED REPARATION AGENCY AND ON THE RESTITUTION OF MONETARY GOLD

The Governments of Albania, The United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, The United Kingdom of Great Britain and Northern Ireland, Greece, India, Luxembourg, Norway, New Zealand, The Netherlands, Czechoslovakia, The Union of South Africa and Yugoslavia, in order to obtain an equitable distribution among themselves of the total assets which, in accordance with the Provisions of this Agreement and the Provisions agreed upon at Potsdam on 1st August, 1945, between the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, are or may be declared to be available as reparation from Germany (hereinafter referred to as German reparation) in order to establish an Inter-Allied Reparation Agency, and to settle an equitable procedure for the restitution of monetary gold.

Have agreed as follows:

PART I

German Reparation

ARTICLE 1

Shares in Reparation

A. German reparation (exclusive of the funds to be allocated under Article 8 of Part I of this Agreement), shall be divided into the following categories:

Category A, which shall include all forms of German reparation except those included in Category B.

Category B, which shall include industrial and other capital equipment removed from Germany, and merchant ships and inland water transport.

B. Each Signatory Government shall be entitled to the percentage share of the total value of Category A and the percentage share of the total value of Category B set out for that Government in the Table of Shares set forth below:

TABLE OF SHARES

Country	Category		Country	Category	
	A.	B.		A.	B.
Albania . . . . .	.05	.35	Greece	2.70	4.35
United States			India	2.00	2.90
of America	28.00	11.80	Luxembourg . . . . .	.15	.40
Australia . . . . .	.70	.95	Norway	1.30	1.90
Belgium	2.70	4.50	New Zealand . . . . .	.40	.60
Canada	3.50	1.50	Netherlands	3.90	5.60
Denmark . . . . .	.25	.35	Czechoslovakia	3.00	4.30
Egypt . . . . .	.05	.20	Union of		
France	16.00	22.80	South Africa (1)	.70	.10
United Kingdom	28.00	27.80	Yugoslavia	6.60	9.60
			Total	100.00	100.00

(1) The Government of the Union of South Africa has undertaken to

C. Subject to the provisions of paragraph D below, each Signatory Government shall be entitled to receive its share of merchant ships determined in accordance with Article 5 of Part I of this Agreement, provided that its receipts of merchant ships do not exceed in value its share in Category B as a whole.

Subject to the provisions of paragraph D below, each Signatory Government shall also be entitled to its Category A percentage share in German assets in countries which remained neutral in the war against Germany.

The distribution among the Signatory Governments of forms of German reparation other than merchant ships, inland water transport and German assets in countries which remained neutral in the war against Germany shall be guided by the principles set forth in Article 4 of Part I of this Agreement.

D. If a Signatory Government receives more than its percentage share of certain types of assets in either Category A or Category B, its receipts of other types of assets in that Category shall be reduced so as to ensure that it shall not receive more than its share in that Category as a whole.

E. No Signatory Government shall receive more than its percentage share of either Category A or Category B as a whole by surrendering any part of its percentage share of the other Category, except that with respect to German enemy assets within its own jurisdiction, any Signatory Government shall be permitted to charge any excess of such assets over its Category A percentage share of total German enemy assets within the jurisdiction of the Signatory Governments either to its receipts in Category A or to its receipts in Category B or in part to each Category.

F. The Inter-Allied Reparation Agency, to be established in accordance with Part II of this Agreement, shall charge the reparation account of each Signatory Government for the German assets within that Government's jurisdiction over a period of five years. The charges at the date of the entry into force of this Agreement shall be not less than 20 per cent. of the net value of such assets (as defined in Article 6 of Part I of this Agreement) as then estimated, at the beginning of the second year thereafter not less than 25 per cent. of the balance as then estimated, at the beginning of the third year not less than 33 $\frac{1}{3}$ per cent. of the balance as then estimated, at the beginning of the fourth year not less than 50 per cent. of the balance as then estimated, at the beginning of the fifth year not less than 90 per cent. of the balance as then estimated, and at the end of the fifth year the entire remainder of the total amount actually realized.

G. The following exceptions to paragraphs D and E above shall apply in the case of a Signatory Government whose share in Category B is less than its share in Category A:

(i) Receipts of merchant ships by any such Government shall not reduce its percentage share in other types of assets in Category B, except

waive its claims to the extent necessary to reduce its percentage share of Category B to the figure of 0·1 per cent. but is entitled, in disposing of German enemy assets within its jurisdiction, to charge the net value of such assets against its percentage share of Category A and a percentage share under Category B of 1·0 per cent.

to the extent that such receipts exceed the value obtained when that Government's Category A percentage is applied to the total value of merchant ships.

- (ii) Any excess of German assets within the jurisdiction of such Government over its Category A percentage share of the total of German assets within the jurisdiction of Signatory Governments as a whole shall be charged first to the additional share in Category B to which that Government would be entitled if its share in Category B were determined by applying its Category A percentage to the forms of German reparation in Category B.

H. If any Signatory Government renounces its shares or part of its shares in German reparation as set out in the above Table of Shares, or if it withdraws from the Inter-Allied Reparation Agency at a time when all or part of its shares in German reparation remain unsatisfied, the shares or part thereof thus renounced or remaining shall be distributed rateably among the other Signatory Governments.

ARTICLE 2

Settlement of Claims against Germany

A. The Signatory Governments agree among themselves that their respective shares of reparation, as determined by the present Agreement, shall be regarded by each of them as covering all its claims and those of its nationals against the former German Government and its Agencies, of a governmental or private nature, arising out of the war (which are not otherwise provided for), including costs of German occupation, credits acquired during occupation on clearing accounts and claims against the Reichskreditkassen.

B. The provisions of paragraph A above are without prejudice to:

- (i) The determination at the proper time of the forms, duration or total amount of reparation to be made by Germany;
- (ii) The right which each Signatory Government may have with respect to the final settlement of German reparation, and
- (iii) Any political, territorial or other demands which any Signatory Government may put forward with respect to the peace settlement with Germany.

C. Notwithstanding anything in the provisions of paragraph A above, the present Agreement shall not be considered as affecting:

- (i) The obligation of the appropriate authorities in Germany to secure at a future date the discharge of claims against Germany and German nationals arising out of contracts and other obligations entered into, and rights acquired, before the existence of a state of war between Germany and the Signatory Government concerned or before the occupation of its territory by Germany, whichever was earlier;
- (ii) The claims of Social Insurance Agencies of the Signatory Governments or the claims of their nationals against the Social Insurance Agencies of the former German Government; and

(iii) Banknotes of the Reichsbank and the Rentenbank, it being understood that their realization shall not have the result of reducing improperly the amount of reparation and shall not be effected without the approval of the Control Council for Germany.

D. Notwithstanding the provisions of paragraph A of this Article, the Signatory Governments agree that, so far as they are concerned, the Czechoslovak Government will be entitled to draw upon the Giro Account of the National Bank of Czechoslovakia at the Reichsbank, should such action be decided upon by the Czechoslovak Government and approved by the Control Council for Germany, in connection with the movement from Czechoslovakia to Germany of former Czechoslovak nationals.

ARTICLE 3

Waiver of Claims Regarding Property Allocated as Reparation

Each of the Signatory Governments agrees that it will not assert, initiate actions in international tribunals in respect of, or give diplomatic support to claims on behalf of itself or those persons entitled to its protection against any other Signatory Government or its nationals in respect of property received by that Government as reparation with the approval of the Control Council for Germany.

ARTICLE 4

General Principles for the Allocation of Industrial and other Capital Equipment

A. No Signatory Government shall request the allocation to it as reparation of any industrial or other capital equipment removed from Germany except for use in its own territory or for use by its own nationals outside its own territory.

In submitting requests to the Inter-Allied Reparation Agency, the Signatory Governments should endeavour to submit comprehensive programmes of requests for related groups of items, rather than requests for isolated items or small groups of items. It is recognized that the work of the Secretariat of the Agency will be more effective, the more comprehensive the programmes which Signatory Governments submit to it.

C. In the allocation by the Inter-Allied Reparation Agency of items declared available for reparation (other than merchant ships, inland water transport and German assets in countries which remained neutral in the war against Germany), the following general principles shall serve as guides:

- (i) Any item or related group of items in which a claimant country has a substantial prewar financial interest shall be allocated to that country if it so desires. Where two or more claimants have such substantial interests in a particular item or group of items, the criteria stated below shall guide the allocation.
- (ii) If the allocation between competing claimants is not determined by paragraph (i), attention shall be given, among other relevant factors, to the following considerations:
 - (a) The urgency of each claimant country's needs for the item or items to rehabilitate, reconstruct or restore to full activity the claimant country's economy;

- (b) The extent to which the item or items would replace property which was destroyed, damaged or looted in the war, or requires replacement because of excessive wear in war production, and which is important to the claimant country's economy;
 - (c) The relation of the item or items to the general pattern of the claimant country's prewar economic life and to programmes for its postwar economic adjustment or development;
 - (d) The requirements of countries whose reparation shares are small but which are in need of certain specific items or categories of items.
- (iii) In making allocations a reasonable balance shall be maintained among the rates at which the reparation shares of the several claimant Governments are satisfied, subject to such temporary exceptions as are justified by the considerations under paragraph (ii) (a) above.

ARTICLE 5

General Principles for the Allocation of Merchant Ships and Inland Water Transport

A.—(i) German merchant ships available for distribution as reparation among the Signatory Governments shall be distributed among them in proportion to the respective over-all losses of merchant shipping, on a gross tonnage basis, of the Signatory Governments and their nationals through acts of war. It is recognized that transfers of merchant ships by the United Kingdom and United States Governments to other Governments are subject to such final approvals by the legislatures of the United Kingdom and United States of America as may be required.

(ii) A special committee, composed of representatives of the Signatory Governments, shall be appointed by the Assembly of the Inter-Allied Reparation Agency to make recommendations concerning the determination of such losses and the allocation of German merchant ships available for distribution.

(iii) The value of German merchant ships for reparation accounting purposes shall be the value determined by the Tripartite Merchant Marine Commission in terms of 1938 prices in Germany plus 15 per cent., with an allowance for depreciation.

B. Recognizing that some countries have special need for inland water transport, the distribution of inland water transport shall be dealt with by a special committee appointed by the Assembly of the Inter-Allied Reparation Agency in the event that inland water transport becomes available at a future time as reparation for the Signatory Governments.

The valuation of inland water transport will be made on the basis adopted for the valuation of merchant ships or on an equitable basis in relation to that adopted for merchant ships.

ARTICLE 6

German External Assets

A. Each Signatory Government shall, under such procedures as it may choose, hold or dispose of German enemy assets within its jurisdiction in manners designed to preclude their return to German ownership or control

and shall charge against its reparation share such assets (net of accrued taxes, liens, expenses of administration, other *in rem* charges against specific items and legitimate contract claims against the German former owners of such assets).

B. The Signatory Governments shall give to the Inter-Allied Reparation Agency all information for which it asks as to the value of such assets and the amounts realized from time to time by their liquidation.

C. German assets in those countries which remained neutral in the war against Germany shall be removed from German ownership or control and liquidated or disposed of in accordance with the authority of France, the United Kingdom and the United States of America, pursuant to arrangements to be negotiated with the neutrals by these countries. The net proceeds of liquidation or disposition shall be made available to the Inter-Allied Reparation Agency for distribution on reparation account.

D. In applying the provisions of paragraph A above, assets which were the property of a country which is a member of the United Nations or its nationals who were not nationals of Germany at the time of the occupation or annexation of this country by Germany, or of its entry into war, shall not be charged to its reparation account. It is understood that this provision in no way prejudges any questions which may arise as regards assets which were not the property of a national of the country concerned at the time of the latter's occupation or annexation by Germany or of its entry into war.

E. The German enemy assets to be charged against reparation shares shall include assets which are in reality German enemy assets, despite the fact that the nominal owner of such assets is not a German enemy.

Each Signatory Government shall enact legislation or other appropriate steps, if it has not already done so, to render null and void all transfers made, after the occupation of its territory or its entry into war, for the fraudulent purpose of cloaking German enemy interests, and thus saving them harmless from the effect of control measures regarding German enemy interests.

F. The Assembly of the Inter-Allied Reparation Agency shall set up a Committee of Experts in matters of enemy property custodianship in order to overcome practical difficulties of law and interpretation which may arise. The Committee should in particular guard against schemes which might result in effecting fictitious or other transactions designed to favour enemy interests, or to reduce improperly the amount of assets which might be allocated to reparation.

ARTICLE 7

Captured supplies

The value of supplies and other materials susceptible of civilian use captured from the German Armed Forces in areas outside Germany and delivered to Signatory Governments shall be charged against their reparation shares in so far as such supplies and materials have not been or are not in the future either paid for or delivered under arrangements precluding any charge. It is recognised that transfers of such supplies and material by the United Kingdom and United States Governments to other Governments are agreed to be subject to such final approval by the legislature of the United Kingdom or the United States of America as may be required.

ARTICLE 8

Allocation of a Reparation Share to Non-repatriable Victims of German Action

In recognition of the fact that large numbers of persons have suffered heavily at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any Government receiving reparation from Germany, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia and Yugoslavia, in consultation with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:

A. A share of reparation consisting of all the non-monetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding 25 million dollars shall be allocated for the rehabilitation and resettlement of non-repatriable victims of German action.

B. The sum of 25 million dollars shall be met from a portion of the proceeds of German assets in neutral countries which are available for reparation.

C. Governments of neutral countries shall be requested to make available for this purpose (in addition to the sum of 25 million dollars) assets in such countries of victims of Nazi action who have since died and left no heirs.

D. The persons eligible for aid under the plan in question shall be restricted to true victims of Nazi persecution and to their immediate families and dependants, in the following classes:

(i) Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions;

(ii) German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable on grounds of humanity to assist such persons to emigrate and providing they emigrate to other countries within a reasonable period;

(iii) Nationals of countries formerly occupied by the Germans who cannot be repatriated or are not in a position to be repatriated within a reasonable time. In order to concentrate aid on the most needy and deserving refugees and to exclude persons whose loyalty to the United Nations is or was doubtful, aid shall be restricted to nationals or former nationals of previously occupied countries who were victims of Nazi concentration camps or of concentration camps established by regimes under Nazi influence but not including persons who have been confined only in prisoners of war camps.

E. The sums made available under paragraphs A and B above shall be administered by the Inter-Governmental Committee on Refugees or by a United Nations Agency to which appropriate functions of the Inter-Governmental Committee may in the future be transferred. The sums made available under paragraph C above shall be administered for the general purposes referred to in this article under a programme of administration to be formulated by the five Governments named above.

F. The non-monetary gold found in Germany shall be placed at the disposal of the Inter-Governmental Committee on Refugees as soon as a plan has been worked out as provided above.

G. The Inter-Governmental Committee on Refugees shall have power to carry out the purposes of the fund through appropriate public and private field organisations.

H. The fund shall be used, not for the compensation of individual victims, but to further the rehabilitation or resettlement of persons in the eligible classes.

I. Nothing in this article shall be considered to prejudice the claims which individual refugees may have against a future German Government, except to the amount of the benefits that such refugees may have received from the sources referred to in paragraphs A and C above.

PART II

Inter-Allied Reparation Agency

ARTICLE 1

Establishment of the Agency

The Governments Signatory to the present Agreement hereby establish an Inter-Allied Reparation Agency (hereinafter referred to as "The Agency"). Each Government shall appoint a Delegate to the Agency and shall also be entitled to appoint an Alternate who, in the absence of the Delegate, shall be entitled to exercise all the functions and rights of the Delegate.

ARTICLE 2

Functions of the Agency

A. The Agency shall allocate German reparation among the Signatory Governments in accordance with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory Governments. For this purpose, the Agency shall be the medium through which the Signatory Governments receive information concerning, and express their wishes in regard to, items available as reparation.

B. The Agency shall deal with all questions relating to the restitution to a Signatory Government of property situated in one of the Western Zones of Germany which may be referred to it by the Commander of that Zone (acting on behalf of his Government) in agreement with the claimant Signatory Government or Governments, without prejudice, however, to the settlement of such questions by the Signatory Governments concerned either by agreement or arbitration.

ARTICLE 3

Internal Organization of the Agency

A. The organs of the Agency shall be the Assembly and the Secretariat.

B. The Assembly shall consist of the Delegates and shall be presided over by the President of the Agency. The President of the Agency shall be the Delegate of the Government of France.

C. The Secretariat shall be under the direction of a Secretary-General, assisted by two Deputy Secretaries General. The Secretary-General and the two Deputy Secretaries General shall be appointed by the Governments of France, the United States of America and the United Kingdom. The Secretariat shall be international in character. It shall act for the Agency and not for the individual Signatory Governments.

ARTICLE 4
Functions of the Secretariat

The Secretariat shall have the following functions:

- A. To prepare and submit to the Assembly programmes for the allocation of German reparation;
- B. To maintain detailed accounts of assets available for, and of assets distributed as, German reparation;
- C. To prepare and submit to the Assembly the budget of the Agency;
- D. To perform such other administrative functions as may be required.

ARTICLE 5
Functions of the Assembly

Subject to the provisions of Articles 4 and 7 of Part II of this Agreement, the Assembly shall allocate German reparation among the Signatory Governments in conformity with the provisions of this Agreement and of any other agreements from time to time in force among the Signatory Governments. It shall also approve the budget of the Agency and shall perform such other functions as are consistent with the provisions of this Agreement.

ARTICLE 6
Voting in the Assembly

Except as otherwise provided in this Agreement, each Delegate shall have one vote. Decisions in the Assembly shall be taken by a majority of the votes cast.

ARTICLE 7
Appeal from Decisions of the Assembly

A. When the Assembly has not agreed to a claim presented by a Delegate that an item should be allocated to his Government, the Assembly shall, at the request of that Delegate and within the time limit prescribed by the Assembly, refer the question to arbitration. Such reference shall suspend the effect of the decision of the Assembly on that item.

B. The Delegates of the Governments claiming an item referred to arbitration under paragraph A above shall select an Arbitrator from among the other Delegates. If agreement cannot be reached upon the selection of an Arbitrator, the United States Delegate shall either act as Arbitrator or appoint as Arbitrator another Delegate from among the Delegates whose Governments are not claiming the item. If the United States Government is one of the claimant Governments, the President of the Agency shall appoint as Arbitrator a Delegate whose Government is not a claimant Government.

ARTICLE 8
Powers of the Arbitrator

When the question of the allocation of any item is referred to arbitration under Article 7 of Part II of this Agreement, the Arbitrator shall have authority to make final allocation of the item among the claimant Governments. The Arbitrator may, at his discretion, refer the item to the Secretariat for further study. He may also, at his discretion, require the Secretariat to resubmit the item to the Assembly.

ARTICLE 9

Expenses

A. The salaries and expenses of the Delegates and of their staffs shall be paid by their own Governments.

B. The common expenses of the Agency shall be met from the funds of the Agency. For the first two years from the date of the establishment of the Agency, these funds shall be contributed in proportion to the percentage shares of the Signatory Governments in Category B and thereafter in proportion to their percentage shares in Category A.

C. Each Signatory Government shall contribute its share in the budget of the Agency for each budgetary period (as determined by the Assembly) at the beginning of that period; provided that each Government shall, when this Agreement is signed on its behalf, contribute a sum equivalent to not less than its Category B percentage share of £ 50,000 and shall, within three months thereafter, contribute the balance of its share in the budget of the Agency for the budgetary period in which this Agreement is signed on its behalf.

D. All contributions by the Signatory Governments shall be made in Belgian francs or such other currency or currencies as the Agency may require.

ARTICLE 10

Voting on the Budget

In considering the budget of the Agency for any budgetary period, the vote of each Delegate in the Assembly shall be proportional to the share of the budget for that period payable by his Government.

ARTICLE 11

Official Languages

The official languages of the Agency shall be English and French.

ARTICLE 12

Offices of the Agency

The seat of the Agency shall be in Brussels. The Agency shall maintain liaison offices in such other places as the Assembly, after obtaining the necessary consents, may decide.

ARTICLE 13

Withdrawal

Any Signatory Government, other than a Government which is responsible for the control of a part of German territory, may withdraw from the Agency after written notice to the Secretariat.

ARTICLE 14

Amendments and Termination

This Part II of the Agreement can be amended or the Agency terminated by a decision in the Assembly of the majority of the Delegates voting, provided that the Delegates forming the majority represent Governments whose shares constitute collectively not less than 80 per cent. of the aggregate of the percentage shares in Category A.

ARTICLE 15

Legal Capacity. Immunities and Privileges

The Agency shall enjoy in the territory of each Signatory Government such legal capacity and such privileges, immunities and facilities, as may be necessary for the exercise of its functions and the fulfilment of its purpose. The representatives of the Signatory Governments and the officials of the Agency shall enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Agency.

PART III

Restitution of Monetary Gold

Single Article

A. All the monetary gold found in Germany by the Allied Forces and that referred to in paragraph G below (including gold coins, except those of numismatic or historical value, which shall be restored directly if identifiable) shall be pooled for distribution as restitution among the countries participating in the pool in proportion to their respective losses of gold through looting or by wrongful removal to Germany.

B. Without prejudice to claims by way of reparation for unrestored gold, the portion of monetary gold thus accruing to each country participating in the pool shall be accepted by that country in full satisfaction of all claims against Germany for restitution of monetary gold.

C. A proportional share of the gold shall be allocated to each country concerned which adheres to this arrangement for the restitution of monetary gold and which can establish that a definite amount of monetary gold belonging to it was looted by Germany or, at any time after March 12th, 1938, was wrongfully removed into German territory.

D. The question of the eventual participation of countries not represented at the Conference (other than Germany but including Austria and Italy) in the above-mentioned distribution shall be reserved, and the equivalent of the total shares which these countries would receive, if they were eventually admitted to participate, shall be set aside to be disposed of at a later date in such manner as may be decided by the Allied Governments concerned.

E. The various countries participating in the pool shall supply to the Governments of the United States of America, France and the United Kingdom, as the occupying Powers concerned, detailed and verifiable data regarding the gold losses suffered through looting by, or removal to Germany.

F. The Governments of the United States of America, France and the United Kingdom shall take appropriate steps within the Zones of Germany occupied by them respectively to implement distribution in accordance with the foregoing provisions.

G. Any monetary gold which may be recovered from a third country to which it was transferred from Germany shall be distributed in accordance with this arrangement for the restitution of monetary gold.

PART IV

Entry into Force and Signature

ARTICLE 1

Entry into Force

This Agreement shall be open for signature on behalf of any Government represented at the Paris Conference on Reparation. As soon as it has been signed on behalf of Governments collectively entitled to not less than 50 p. 100 of the aggregate of shares in Category A of German reparation, it shall come into force among such Signatory Governments. The agreement shall thereafter be in force among such Governments and those Governments on whose behalf it is subsequently signed.

ARTICLE 2

Signature

The signature of each contracting Government shall be deemed to mean that the effect of the present Agreement extends to the colonies and overseas territories of such Government, and to territories under its protection or suzerainty or over which it at present exercises a mandate.

In witness whereof, the undersigned, duly authorized by their respective Governments, have signed in Paris the present Agreement, in the English and French languages, the two texts being equally authentic, in a single original, which shall be deposited in the Archives of the Government of the French Republic, a certified copy thereof being furnished by that Government to each Signatory Government.

For the Government of	194 .
For the Government of	194 .

Unanimous Resolutions by the Conference

The Conference has also unanimously agreed to include the following Resolutions in the Final Act.

1. German Assets in the Neutral Countries.

The Conference unanimously resolves that the countries which remained neutral in the war against Germany should be prevailed upon by all suitable means to recognize the reasons of justice and of international security policy which motivate the Powers exercising supreme authority in Germany and the other Powers participating in this Conference in their efforts to extirpate the German holdings in the neutral countries.

2. Gold transferred to the Neutral Countries.

The Conference unanimously resolves that, in conformity with the policy expressed by the United Nations Declaration against Axis Acts of Dispossession of 5th January, 1943, and the United Nations Declaration on Gold of 22nd February, 1944, the countries which remained neutral in the war against Germany be prevailed upon to make available for distribution in accordance with Part III of the foregoing Agreement all looted gold transferred into their territories from Germany.

3. Equality of Treatment regarding Compensation for War Damage.

The Conference unanimously resolves that, in the administration of reconstruction or compensation benefits for war damage to property, the treatment accorded by each Signatory Government to physical persons who are nationals and to legal persons who are nationals of or are owned by nationals of any other Signatory Government, so far as they have not been compensated after the war for the same property under any other form or on any other occasion, shall be in principle not less favourable than that which the Signatory Government accords to its own nationals. In view of the fact that there are many special problems of reciprocity related to this principle, it is recognized that in certain cases the actual implementation of the principle cannot be achieved except through special agreements between Signatory Governments.

Reference to the Annex to the Final Act

During the course of the Conference, statements were made by certain Delegates, in the terms set out in the attached Annex, concerning matters not within the competence of the Conference but having a close relation with its work. The Delegates whose Governments are represented on the Control Council for Germany undertook to bring those statements to the notice of their respective Governments.

In witness whereof the undersigned have signed the present Final Act of the Paris Conference on Reparation.

Done in Paris on 21st December, 1945, in the English and French languages, the two texts being equally authentic, in a single original, which shall be deposited in the Archives of the Government of the French Republic, certified copies thereof being furnished by that Government to all the Governments represented at that Conference.

Hysni KAPO, Delegate of Albania;

James W. ANGELL, Delegate of the United States of America;

E. Ronald WALKER, Delegate of Australia;

KAECKENBEECK, Delegate of Belgium;

Maurice POPE, Delegate of Canada;

KRUSE, for the Delegate of Denmark;

, Delegate of Egypt;

Jacques RUEFF, Delegate of France;

S. D. WALEY, Delegate of the United Kingdom of Great Britain and Northern Ireland;

, Delegate of Greece;

P. CHANDHURI, Delegate of India;

[These signatures are appended in agreement with his Britannic Majesty's representative for the exercise of the functions of the Crown in its relations with the Indian States]

WEHRER, Delegate of Luxembourg;

HELGEBY, Delegate of Norway;

BOISSEVAIN, Delegate of Netherlands;

Vavro HAJDU, Delegate of Czechoslovakia;

Maurice POPE, for the Delegate of the Union of South Africa;

Ales BEBLER, Delegate of Yugoslavia

A N N E X

1. Resolution on the subject of Restitution.

The Albanian, Belgian, Czechoslovak, Danish, French, Greek, Indian, Luxembourg, Netherlands and Yugoslav Delegates agree to accept as the basis of a restitution policy the following principles:

- (a) The question of the restitution of property removed by the Germans from the Allied countries must be examined in all cases in the light of the United Nations Declaration of 5th January, 1943.
- (b) In general, restitutions should be confined to identifiable goods which
 - (i) existed at the time of the occupation of the country concerned, and were removed with or without payment; (ii) were produced during the occupation and obtained by an act of force.
- (c) In cases where articles removed by the enemy cannot be identified, the claim for replacement should be part of the general reparation claim of the country concerned.
- (d) As an exception to the above principles, objects (including books, manuscripts and documents) of an artistic, historical, scientific (excluding equipment of an industrial character), educational or religious character which have been looted by the enemy occupying Power shall, so far as possible, be replaced by equivalent objects if they are not restored.
- (e) With respect to the restitution of looted goods which were produced during the occupation and which are still in the hands of German concerns or residents of Germany, the burden of proof of the original ownership of the goods shall rest on the claimants and the burden of proof that the goods were acquired by a regular contract shall rest on the holders.
- (f) All necessary facilities under the auspices of the Commanders-in-Chief of the occupied Zones shall be given to the Allied States to send expert missions into Germany to search for looted property and to identify, store and remove it to its country of origin.
- (g) German holders of looted property shall be compelled to declare it to the control authorities; stringent penalties shall be attached to infractions of this obligation.

2. Resolution on Reparation from Existing Stocks and Current Production.

The Delegates of Albania, Belgium, Czechoslovakia, Denmark, Egypt, France, Greece, India, Luxembourg, the Netherlands, Norway and Yugoslavia.

In view of the decision of the Crimea Conference that Germany shall make compensation to the greatest possible extent for the losses and suffering which she has inflicted on the United Nations.

Considering that it will not be possible to satisfy the diverse needs of the Governments entitled to reparation unless the assets to be allocated are sufficiently varied in nature and the methods of allocation are sufficiently flexible.

Express the hope that no category of economic resources in excess of Germany's requirements as defined in Part III article 15 of the Potsdam Declaration, due account being taken of article 19 of the same Part, shall

in principle be excluded from the assets, the sum total of which should serve to meet the reparation claims of the Signatory Governments.

It thus follows that certain special needs of different countries will not be met without recourse in particular to German existing stocks, current production and services, as well as Soviet reciprocal deliveries under Part IV of the Potsdam Declaration.

It goes without saying that the foregoing shall be without prejudice to the necessity of achieving the economic disarmament of Germany.

The above named Delegates would therefore deem it of advantage were the Control Council to furnish the Inter-Allied Reparation Agency with lists of existing stocks, goods from current production and services, as such stocks, goods or services become available as reparation. The Agency should, at all times, be in a position to advise the Control Council of the special needs of the different Signatory Governments.

3. Resolution regarding Property in Germany belonging to United Nations or their nationals.

The Delegates of Albania, Belgium, Czechoslovakia, France, Greece, Luxembourg, the Netherlands, Norway and Yugoslavia, taking into account the fact that the burden of reparation should fall on the German people, recommend that the following rules be observed regarding the allocation as reparation of property (other than ships) situated in Germany:

- (a) To determine the proportion of German property available as reparation account shall be taken of the sum total of property actually constituting the German economy, including assets belonging to a United Nation or to its nationals, but excluding looted property, which is to be restored.
- (b) In general property belonging legitimately to a United Nation or to its nationals, whether wholly owned or in the form of a shareholding of more than 48 per cent., shall so far as possible be excluded from the part of German property considered to be available as reparation.
- (c) The Control Council shall determine the cases in which minority shareholdings of a United Nation or its nationals shall be treated as forming part of the property of a German juridical person and therefore having the same status as that juridical person.
- (d) The foregoing provisions do not in any way prejudice the removal or destruction of concerns controlled by interest of a United Nation or of its nationals when this is necessary for security reasons.
- (e) In cases where an asset which is the legitimate property of one of the United Nations or its nationals has been allocated as reparation or destroyed, particularly in the cases referred to in paragraphs (b), (c) and (d) above, equitable compensation to the extent of the full value of this asset shall be granted by the Control Council to the United Nation concerned as a charge on the German economy. This compensation shall, when possible, take the form of a shareholding of equal value in German assets of a similar character which have not been allocated as reparation.
- (f) In order to ensure that the property in Germany of persons declared by one of the United Nations to be collaborators or traitors shall be taken from them, the Control Council shall give effect in Germany

to legislative measures and juridical decisions by courts of the United Nation concerned in regard to collaborators or traitors who are nationals of that United Nation or were nationals of that United Nation at the date of its occupation or annexation by Germany or entry into the war. The Control Council shall give to the Government of such United Nation facilities to take title to and possession of such assets and to dispose of them.

4. Resolution on captured War Material

The Delegates of Albania, Belgium, Denmark, Luxembourg, the Netherlands, Norway, Czechoslovakia and Yugoslavia, taking account of the fact that part of the war material seized by the Allied Armies in Germany is of no use to these Armies but would, on the other hand, be of use to other Allied countries recommend:

- (a) That, subject to Resolution I of this Annex on the subject of restitution, war material which was taken in the Western Zones of Germany and which has neither been put to any use nor destroyed as being of no value, and which is not needed by the Armies of Occupation or is in excess of their requirements, shall be put at the disposal of countries which have a right to receive reparation from the Western Zones of Germany, and
- (b) That the competent authorities shall determine the available types and quantities of this material and shall submit lists to the Inter-Allied Reparation Agency, which shall proceed in accordance with the provisions of part II of the above Agreement.

5. Resolution on German Assets in the Julian March and the Dodecanese

The Delegates of Greece, the United Kingdom and Yugoslavia (being the Delegates of the countries primarily concerned), agree that:

- (a) The German assets in Venezia Giulia (Julian March) and in the Dodecanese shall be taken into custody by the military authorities in occupation of those parts of the territory which they now occupy, until the territorial questions have been decided; and
- (b) As soon as a decision on the territorial questions has been reached, the liquidation of the assets shall be undertaken in conformity with the provisions of Paragraph A of Article 6 of Part I of the foregoing Agreement by the countries whose sovereignty over the disputed territories has now been recognized.

6. Resolution on Costs relating to Goods Delivered from Germany as Reparation

The Delegates of Albania, Australia, Belgium, Canada, Denmark, Egypt, France, Greece, India, Luxembourg, Norway, New Zealand, the Netherlands, Czechoslovakia and Yugoslavia recommend that the costs of dismantling, packing, transporting, handling, loading and all other costs of a general nature relating to goods to be delivered from Germany as reparation, until the goods in question have passed the German frontier, and expenditure incurred in Germany for the account of the Inter-Allied Reparation Agency or of the Delegates of the Agency should, in so far as they are payable in a currency which is legal tender in Germany, be paid as a charge on the German economy.

7. Resolution on the Property of War Criminals

The Delegates of Albania, Belgium, France, Luxembourg, Czechoslovakia and Yugoslavia express the view that:

- (a) The legislation in force in Germany against German war criminals should provide for the confiscation of the property in Germany of those criminals, if it does not do so already;
- (b) The property so confiscated, except such as is already available as reparation or restitution, should be liquidated by the Control Council and the net proceeds of the liquidation paid to the Inter-Allied Reparation Agency for division according to the principles set out in the foregoing Agreement.

8. Resolution on Recourse to the International Court of Justice

The Delegates of Albania, Australia, Belgium, Denmark, France, Luxembourg, the Netherlands, Norway, Czechoslovakia and Yugoslavia recommend that:

Subject to the provisions of Article 3 of Part I of the foregoing Agreement, the Signatory Governments agree to have recourse to the International Court of Justice for the solution of every conflict of law or of competence arising out of the provisions of the foregoing Agreement which has not been submitted by the parties concerned to amicable solution or arbitration.

La présente copie certifiée conforme à l'exemplaire original unique en langues anglaise et française signé à Paris le 21 décembre, 1945, et déposé dans les Archives de la République Française.

Le Ministre Plénipotentiaire, Chef du Protocole:

JACQUES DUMAINE

PROTOCOL

attached to the Paris Agreement of 14 January 1946

ON REPARATION FROM GERMANY ON THE ESTABLISHMENT OF AN INTER ALLIED REPARATION AGENCY

and

ON THE RESTITUTION OF MONETARY GOLD

The Governments of Albania, United States of America, Australia, Belgium, Canada, Denmark, Egypt, France, United Kingdom, Greece, India, Luxemburg, Norway, New Zealand, Netherlands, Czechoslovakia, Union of South Africa and Yugoslavia, having taken note of the Arrangement of 22 January 1948 under which the Governments of the Dominion of India and the Dominion of Pakistan have agreed to the apportionment between them, in the following manner, of the reparation percentage shares allotted to the Government of India under Article 1 B of the Paris Agreement of 14 January 1946:

India:	Category A	1.65	Category B	2.39
Pakistan:	Category A	0.35	Category B	0.51

Having noted that the Government of the Dominion of India and the Government of the Dominion of Pakistan have agreed that the value of Reparation assets in Category B allocated to the Government of India up to and including 14 August 1947, and amounting, subject to such accounting adjustments by the Inter-Allied Reparation Agency as may become necessary, to RM. 10,900,000, will be considered to have been apportioned in the following manner:

Dominion of India:	RM. 8,983,000
Dominion of Pakistan:	RM. 1,917,000

it being understood that the above apportionment is susceptible of adjustment by mutual agreement between the Governments of the Dominions of India and Pakistan.

Having noted that the Government of the Dominion of India and the Government of the Dominion of Pakistan have agreed that the value of Reparation Assets in Category B allocated to the Government of India between 15 August 1947, and 22 January 1948, and amounting, subject to such accounting adjustments by the Inter-Allied Reparation Agency as may become necessary, to RM. 1,068,000, will be considered to have been allocated to the Government of the Dominion of India, it being understood that the above allocation is susceptible of adjustment by mutual agreement between the Governments of the Dominions of India and Pakistan.

Have agreed as follows:

UPON THE SIGNATURE OF THE PRESENT PROTOCOL BY THE GOVERNMENTS SIGNATORIES OF THE PARIS AGREEMENT AND BY THE GOVERNMENT OF THE DOMINION OF PAKISTAN, THE DOMINION OF PAKISTAN SHALL BE DEEMED TO HAVE BEEN A GOVERNMENT SIGNATORY OF THE PARIS AGREEMENT, AS

FROM THE DATE OF THE ENTRY INTO FORCE OF THE SAID AGREEMENT, WITH CORRESPONDING RIGHTS AND OBLIGATIONS, AND TO HAVE ADHERED TO THE UNANIMOUS RESOLUTIONS OF THE PARIS CONFERENCE ON REPARATION. THE GOVERNMENTS OF THE DOMINION OF INDIA AND THE DOMINION OF PAKISTAN SHALL RESPECTIVELY BE ENTITLED TO RECEIVE THE FOLLOWING REPARATION SHARES:

INDIA: CATEGORY A 1.65 CATEGORY B 2.39

PAKISTAN: CATEGORY A 0.35 CATEGORY B 0.51

In witness thereof, the undersigned, duly authorised by their respective Governments, have signed on 15 March 1948 in Brussels the present Protocol, in the English and French languages, the two texts being equally authentic, in a single original which shall be annexed to the Paris Agreement and deposited in the Archives of the Government of the French Republic, a certified copy thereof being furnished by that Government to each Signatory Government, and a certified copy of the Paris Agreement to the Government of the Dominion of Pakistan.

For Albania

For United States of America

For Australia

For Belgium

For Canada

For Denmark

For Egypt

For France

For United Kingdom of Great Britain and Northern Ireland

For Greece

For India

For Luxemburg

For Norway

For New Zealand

For Pakistan

For Netherlands

For Czechoslovakia

For the Union of South Africa

For Yugoslavia

ANNEX III

RULES OF THE AGENCY

CHAPTER I. ASSEMBLY MEETINGS

ARTICLE 1

The Assembly shall meet as often as is necessary in order to settle the allocation of German reparation in accordance with the provisions of the Paris Agreement on Reparation of January 14, 1946, and to fulfil any other functions in accordance with the provisions of the Paris Agreement.

ARTICLE 2

The Assembly shall be convened either (a) at a date fixed by the Assembly before the close of its preceding session, or (b) upon the request of the President, at a date fixed by him, or at the request of any Delegate, with the agreement of the President, or (c) at a date fixed by the Secretary General on written request addressed to him by one third or more of the Delegates to the Agency, whichever date is the earliest.

ARTICLE 3

The meetings of the Assembly shall be held in Brussels, unless otherwise decided by the Assembly.

ARTICLE 4

The Secretary General shall notify all the Delegates at their Brussels addresses of the date of the opening of each session at least four working days before this date, unless the date has been fixed by the Assembly at its preceding session.

CHAPTER II. DELEGATES

ARTICLE 5

Each Member Government shall appoint a Delegate to the Agency. It may appoint an Alternate and the Delegate may designate Substitutes for the Alternate. Either the Alternate or the Substitutes, in the absence of the Delegate, shall be entitled to exercise all the functions and rights of the Delegate, as the Delegate may decide.

Each Delegate shall also be entitled to designate such technical advisers and experts as he may need to assist him.

ARTICLE 6

The names of the Delegates and of the members of their staffs, as well as such documents as may be needed to accredit them to the Agency, shall be communicated to the Secretary General.

CHAPTER III. AGENDA

ARTICLE 7

The Secretary General shall submit to the Delegates a draft Agenda before each Session of the Assembly and shall, whenever possible, circulate it to the Delegates at least seven days before the opening of the Session.

ARTICLE 8

The draft Agenda shall comprise all items whose inclusion has been approved by the Assembly during its preceding Session, all items which the Secretary General may think advisable to include, and all items whose inclusion has been requested by the President or by any other Delegate.

ARTICLE 9

The Assembly shall determine its Agenda at the opening of each Session. During the Session any Delegate may introduce a motion to add other items to the Agenda. Delegates shall be entitled to speak for a reasonable period on items which they have requested to be included in the Agenda

CHAPTER IV. PRESIDENT

ARTICLE 10

The President of the Agency shall be the Delegate of the Government of France, or in his absence his Alternate. The President of the Agency shall preside over the Assembly.

ARTICLE 11

The President shall not vote.

The Alternate of the Delegate of the Government of France shall have the power to vote in his stead.

ARTICLE 12

The President shall open and close the meetings of the Assembly, direct its debates, ensure the observance of the Rules of the Agency, call on the speakers, and announce decisions of the Assembly.

CHAPTER V. PROCEEDING

ARTICLE 13

No Delegate may speak at the meetings of the Assembly or of its Committees without having first been authorized to do so by the President of the Assembly or the Chairman of the Committee.

At meetings of the Assembly or of Committees the President of the Assembly or the Chairman of the Committee, respectively, shall normally call on Delegates to speak in the order in which the Delegates have signified their wish to speak, and may call a speaker to order whenever in his opinion the speaker's remarks do not bear on the subject under discussion.

ARTICLE 14

During debates every Delegate shall be any time entitled to submit a motion for adjournment of the debate or to raise a point of order. Such motion or point of order shall have priority.

ARTICLE 15

The Assembly or its Committees may limit the time allotted to each speaker.

ARTICLE 16

Resolutions, amendments or any other motions, except motions for adjournment, submitted to the Assembly or to its Committees shall, as far as possible, be presented in writing to the Secretary General 48 hours before the meeting at which they are to be discussed.

The Secretary General shall, as promptly as possible, distribute such proposals to all the Delegates.

CHAPTER VI. VOTING IN THE ASSEMBLY

ARTICLE 17

A quorum in the Assembly shall consist of two-thirds of the Delegates entitled to vote, provided that in the consideration of the Budget of the Agency, the Delegates constituting the quorum also represent Governments whose shares of the Budget form collectively not less than two-thirds of the aggregate of shares in the Budget.

ARTICLE 18

The Rules of the Agency shall be adopted or amended by decisions of the Assembly.

ARTICLE 19

Except as otherwise provided in these Rules, each Delegate shall have one vote in the Assembly,

Decisions in the Assembly shall be taken by a majority of the votes cast.

In the case of a tie vote, the motion shall be deemed to have been defeated.

ARTICLE 20

In considering the Budget of the Agency for any budgetary period, the vote of each Delegate in the Assembly shall be proportional to the share of the budget payable by his Government for that period.

ARTICLE 21

Part II of the Paris Agreement on Reparation of January 14, 1946 can be amended, directly or indirectly, or the Agency terminated, only by a decision in the Assembly of the majority of the Delegates voting, and provided that the Delegates forming this majority represent Governments whose shares constitute collectively not less than 80% of the aggregate of the percentage shares in category A as defined in the Paris Agreement.

ARTICLE 22

Voting in the Assembly shall normally take place by a show of hands, unless one of the Delegates requests a roll call. If the roll is called, Delegates shall vote in the French alphabetical order of the names of the countries they represent and the name and vote of each Delegate taking part in the voting shall be inserted in the Minutes.

CHAPTER VII. APPEAL FROM DECISIONS OF THE ASSEMBLY

ARTICLE 23

(a) Any decision of the Assembly on the allocation of German reparation shall, subject to the reservation in para. (b) below, come into force at once.

(b) If a Delegate whose Government has submitted a bid for an item which has not been agreed to by the Assembly, has indicated, either by a dissenting vote, or by a motion put forward before the closure of the debate, that he intends to reserve his right to request arbitration, the decision of the Assembly on that item shall not come into force until eight working days after it is taken or until all Delegates whose claims for the item were not agreed to by the Assembly waive their right to request arbitration, whichever date is the earlier.

(c) At any time within that period of eight working days, any Delegate whose claim for the item was not agreed to by the Assembly may request reference of the question to arbitration. Thereupon the President shall immediately grant the request. Such reference shall suspend the effect of the decision of the Assembly on that item.

(d) The Delegate or Delegates who requested such reference may withdraw the request at any time. If all Delegates who requested the reference thus withdraw their request, the decision of the Assembly shall come into force.

ARTICLE 24

The Delegate of the Governments claiming an item referred to arbitration under Article 23 above shall select an Arbitrator from among the other Delegates. If agreement cannot be reached upon the selection of an Arbitrator, the President shall request the Delegate of the United States either to act as Arbitrator or to appoint as Arbitrator another Delegate from among the Delegates whose Governments are not claiming the item. If the United States Government is one of the claimant Governments, the President of the Agency shall appoint as Arbitrator a Delegate whose Government is not a claimant Government. In all cases, the name of the Arbitrator shall be communicated to the Secretary General.

ARTICLE 25

The Arbitrator shall have authority to make final allocation among the claimant Governments of the item referred to him.

The Arbitrator may, at his discretion, refer the item to the Secretariat for further study. He may also, at his discretion, require the Secretariat to resubmit the item to the Assembly.

The Arbitrator shall take action as rapidly as is consistent with the effective fulfilment of his responsibilities. He shall communicate his decision to the Secretary General, who shall inform the Assembly of this decision during its next meeting.

CHAPTER VIII. MINUTES

ARTICLE 26

At each meeting of the Assembly or its Committees, unless otherwise decided, a verbatim record shall be taken in shorthand. This record shall be available for inspection by all the Delegates. The Assembly or the competent Committee may require circulation of the record to the Delegates.

ARTICLE 27

Draft Minutes containing the decisions and a summary of the debates of the Assembly and of its Committees shall be drawn up after each meeting. These draft Minutes shall, as far as possible, be distributed before the ensuing meeting of the Assembly or Committee. Delegates may suggest modification of the draft Minutes to the Secretary General within three working days following the day of the distribution of the draft Minutes. Unless otherwise decided by the Assembly or the Committee, the draft Minutes as modified shall be regarded as final.

CHAPTER IX. OFFICIAL LANGUAGES

ARTICLE 28

The official languages of the Agency shall be English and French. All the documents of the Assembly, and other documents as necessary, shall be drawn up in English and French. Speeches or statements made in the Assembly or its Committees in either of these two languages shall be immediately translated into the other official language, unless otherwise unanimously decided.

ARTICLE 29

Delegates shall be entitled to use another language besides the two official ones in the Assembly or its Committees, provided they supply on their own responsibility an immediate oral translation of their speeches or statements into one of the two official languages.

CHAPTER X. PUBLICITY OF MEETINGS

ARTICLE 30

Except as otherwise decided by the Assembly, the meetings of the Assembly and of its Committees shall be secret.

ARTICLE 31

The Assembly shall approve the text of communiques concerning its deliberations and decisions. Such communiques shall be given to the Press only through the Secretary General.

CHAPTER XI. COMMITTEES OF THE ASSEMBLY

ARTICLE 32

Members of the Committees of the Assembly shall be elected by the Assembly.

Members of Committees may only be Delegates, but each Delegate may appoint one or more experts or technical advisers to represent him on a Committee.

Experts and technical advisers shall not be appointed as Chairman or Reporter of a Committee, except by the express authorisation of the Assembly.

ARTICLE 33

The Assembly shall determine the number of Delegates constituting a quorum in each Committee.

ARTICLE 34

Unless otherwise decided by the Assembly, the seat of each Committee shall be at Brussels.

ARTICLE 35

Except as otherwise provided in these Rules, each Delegate shall have one vote in a Committee, and decisions in the Committees shall be taken by a majority of the votes cast.

In the case of a tie vote, the motion shall be deemed to have been defeated.

ARTICLE 36

Committees shall report to the Assembly as promptly as possible their conclusions on all matters entrusted to them.

Except in the case of a decision to the contrary by the Assembly a report of a committee shall be made in writing by the Chairman of the Committee and shall be communicated to the Secretary General in time to allow the Secretariat to circulate it to all Delegates 48 hours before the report is to be discussed in the Assembly.

The Chairman of a Committee may supplement his report by a verbal statement in the Assembly.

Members of a Committee who do not concur in the conclusions reached by a Committee may submit separate reports to the Assembly, either in writing through the Secretary General or verbally in the Assembly.

ARTICLE 37

A Committee on Credentials composed of five members shall be elected each year at the first Session of the Assembly.

The Committee on Credentials shall examine the credentials of the Delegates and their Alternates and other members of their staffs.

ARTICLE 38

A Committee on Finance and Accounts, composed of five members, shall be elected at least three months before the end of each financial year for the succeeding financial year.

The terms of reference and duties of the Committee on Finance and Accounts are set forth in Chapter XIII of these Rules.

ARTICLE 39

A Committee on German External Assets, composed of six members, shall be elected with power to co-opt other members for particular issues. It shall deal with questions relating to German external assets referred to it by the Assembly.

The Committee on German External Assets shall appoint a Committee of Experts in matters of enemy property custodianship to report to it.

This Committee of Experts shall examine the practical difficulties in matters of law and interpretation which may arise in connection with liquidation, conversion and accounting with respect to German external assets. The Committee of Experts should in particular guard against schemes which might result in effecting fictitious or other transactions designed to favour enemy interests, or to reduce improperly the amount of assets which might be allocated to reparation.

ARTICLE 40

A Committee on Merchant Shipping shall be elected.

The Committee shall make recommendations to the Assembly concerning the determination of losses suffered and the allocation of the German merchant ships available for distribution as reparation in proportion to the respective overall losses of merchant shipping, on a gross tonnage basis, of the member Governments and their nationals through acts of war.

ARTICLE 41

A Committee on Inland Water Transport shall be elected. The Committee shall examine all questions relating to inland water transport referred to it by the Assembly. It shall also make recommendations to the Assembly with regard to the valuation and allocation of inland water transport, in the event that inland water transport becomes available as reparation to the member Governments.

ARTICLE 42

A Committee on Existing Stocks, Goods from Current Production and Services shall be elected. The Committee shall examine all questions relating to existing stocks, goods from current production and services which may be referred to it by the Assembly.

In particular, the Committee shall make recommendations to the Assembly concerning general principles for the allocation of goods and services which have been or may be declared available as reparation, including goods to be delivered by the U. S. S. R. in accordance with Art. IV par. 4a of the Potsdam Declaration.

ARTICLE 43

A Committee on Industrial and Scientific Property Rights shall be elected.

The Committee shall examine all questions relating to German patents, models, prints and drawings, trade marks, technical processes and other industrial and scientific property rights which may be referred to it by the Assembly.

ARTICLE 43 bis

A Committee on Authors' Rights shall be elected by the Assembly.

The Committee shall examine all questions relating to German authors' rights and other German-owned artistic and literary property rights which may be referred to it by the Assembly or by the Committee on German External Assets.

ARTICLE 44

An Arbitration Commission shall be constituted for each of the questions on restitution submitted to the Agency under Article 2 B of Part II of the Paris Agreement on Reparation of January 14, 1946.

Each Commission shall be composed of three members elected by the Delegates of the Governments interested in the question from among the Delegates of Governments not so interested; or, if agreement cannot be reached, by the Assembly.

Decisions of the Commission shall require the agreement of at least two of the three members, and shall be final. Decisions shall be notified to the Secretary General, who shall communicate them to the Assembly at its next meeting.

CHAPTER XII. SECRETARY GENERAL AND SECRETARIAT

ARTICLE 45

The Secretary General of the Agency shall be the Secretary of the Assembly and of its Committees.

The Secretary General may designate one of the Deputy Secretaries or a member of his staff to represent him at the meetings of the Assembly or of its Committees.

ARTICLE 46

The Secretary General shall make, at latest during the month of February each year, a report on the activities of the Agency during the preceding year. On the authorisation of the Assembly this report shall be published, on the responsibility of the Secretary General.

The Secretary General shall also submit to the Assembly, each quarter, a report on the work accomplished during the preceding period.

He shall also submit to the Assembly any additional reports which the Assembly may require him to make, or which he may desire to submit.

ARTICLE 47

The Secretary General shall communicate to the Delegates lists of assets available for reparations as promptly as he receives them. He shall likewise communicate to them any other information concerning such assets as may be necessary to allow member Governments to formulate their claims.

He shall receive reparation claims from the Delegates. He shall communicate to each Delegate the claims transmitted to him by other Delegates as soon as he has received them.

He shall draw up Programs of Allocation after consultation with the Delegates and shall attempt to reconcile competing claims. He shall submit the Programms of Allocation to the Assembly with the least possible delay.

ARTICLE 48

The Secretary General shall maintain detailed accounts of assets available for, and of assets distributed as, German reparation.

ARTICLE 49

The Secretary General shall as far as possible keep the Delegates informed in regard to the progress of deliveries under reparation programs.

ARTICLE 50

The Secretary General shall represent the Agency in all financial, legal and other administrative matters, and in particular in matters of privileges, immunities and the like.

ARTICLE 51

The Secretary General shall receive, reproduce, translate and distribute the documents, reports and resolutions of the Assembly and its Committees. He shall supply interpreters for the meetings of the Assembly and its Committees. He shall further undertake the editing, reproducing and distribution of the minutes of the meetings, and shall ensure the safe-keeping of documents in the archives of the Agency.

CHAPTER XIII.

GENERAL FINANCIAL AND ACCOUNTING RULES

PART I. GENERAL

ARTICLE 52

The financial year of the Agency shall be the calendar year, provided that the first financial year shall be the period from the inception of the Agency until 31st December 1946.

ARTICLE 53

The Budget and the financial accounts of the Agency shall be expressed in terms of Belgian francs. When receipts or expenditures occur in other currencies, subsidiary accounts shall be kept in terms of the appropriate currencies.

PART II. PAYMENT OF CONTRIBUTIONS

ARTICLE 54

At the beginning of each financial year, each member Government shall pay in its share of the expenses voted and approved in the Budget for that year as provided by and in the proportions laid down in Article 9, Paragraphs B and C of Part II of the Paris Agreement on Reparation of January 14, 1946; provided, however, that for the first financial year each member Government shall contribute its share in the Budget for that year within three months of the date when the Agreement was signed on its behalf or as soon as possible after the adoption of the Budget. Any amounts paid in by a Government on the signing of the Agreement shall be considered as part of that Government's share of the Budget for the Budget for the first financial year.

ARTICLE 55

All contributions shall be made in Belgian francs or in such other currency or currencies as the Agency may require.

ARTICLE 56

Contributions shall be paid into the Banque Nationale de Belgique for the account of the Agency.

PART III. BUDGET

ARTICLE 57

- (a) Budget Estimates for each financial year shall be prepared by the Secretary General and submitted to the Committee on Finance and Accounts no later than three months before the end of the preceding financial year; the Committee on Finance and Accounts shall, no later than two and one-half months before the end of the preceding financial year, submit the Budget Estimates for each financial year to the Assembly with its recommendations; and the Assembly shall approve the Budget for each financial year no later than two months before the end of the preceding financial year; provided, however, that the Budget Estimates and the Budget for the first financial year shall be thus prepared, submitted and approved as soon as possible after the inception of the Agency.
- (b) In its examination of the Budget, the Committee on Finance and Accounts shall have power to examine the organization of the Agency and to make recommendations thereon to the Assembly.

ARTICLE 58

The Committee on Finance and Accounts shall advise with the Secretary General concerning the manner in which transactions shall be classified for the purpose of their inclusion in the Budget and in the Financial and Reparation Reports referred to below and concerning the methods of presentation thereof most useful to the Assembly.

ARTICLE 59

The adoption of the Budget by the Assembly shall constitute an authorisation to the Secretary General to incur expenditures for the purposes for which credits have been voted, up to the amounts so voted.

ARTICLE 60

- (a) Transfers from one Chapter of the Budget to another may be made only on the authority of the Assembly.
- (b) Payments in respect of transactions for which provision is made in the Budget of a particular financial year, and for which obligations are incurred before December 31 of that year, may be charged to the accounts of that year if they are made not later than January 31 of the following financial year.
- (c) Persons to whom any payment is due out of funds appropriated for any financial year shall be requested to submit their accounts in good time before January 31 of the following financial year, and shall, so far as possible, be tendered payment before that date.
- (d) There shall be included in the Budget for each year a fund to be designated as the "Unpaid Liabilities Fund" for the purpose of enabling the competent officials to make payments which are due, in respect of obligations incurred under the Budgets for previous financial years, but which could not be effected in time to be chargeable to such Budgets owing to unavoidable or excusable delays in the presentation or settlement of the accounts.
- (e) Creditors who, after their attention has been called to the provisions of this Article, neglect to present their accounts in time to allow payment by the prescribed date shall, if they cannot be paid out of the Unpaid Liabilities Fund without preventing payment therefrom of creditors who satisfy the requirements of sub-paragraph (c) above, be informed that their accounts cannot be paid until the necessary sums have again been voted by the Assembly.
- (f) Any Delegate or member of his staff who, as a result of his membership of a committee of the Assembly or for any other reason, is called upon to incur travelling and out of pocket expenses outside the city of Brussels in order to carry out any duties with which he may have been specifically charged by the Assembly or a Committee of the Assembly, shall be entitled, upon submission of such data as may be prescribed by the Secretary General, to have such travelling and out of pocket expenses refunded by the Agency.

ARTICLE 61

A working capital fund shall be created to provide the funds necessary to cover unforeseen expenses during the financial year and to furnish a working balance in case unavoidable delays occur in the contribution from member Governments for the succeeding financial year. The Secretary General may utilise the fund for these purposes without specific authority. He shall report monthly to the Committee on Finance and Accounts all expenditure in respect of any chapter of the budget which is in excess of the amount authorised for that chapter.

The fund shall be contributed by member Governments in the same proportion as their contributions to the Agency's expenses. In the event of it being repaid in whole or in part it shall be refunded to member Governments in the proportions in which it was contributed.

ARTICLE 62

The Secretary General may place any funds not immediately required for use on deposit at interest with banks of internationally recognized standing for such periods as he may consider desirable.

PART IV. FINANCIAL ACCOUNTS AND REPORTS

ARTICLE 63

The Secretary General shall maintain accounts of the financial transactions of the Agency on a monthly basis.

ARTICLE 64

- (a) The Secretary General shall submit to the Assembly an annual Financial Report showing the receipts, expenditures, assets and liabilities of the Agency, and such other explanatory material as the Secretary General may deem necessary or the Committee on Finance and Accounts may require.
- (b) Not later than ten days after 30 June of each year, the Secretary General shall submit to the Committee on Finance and Accounts a financial report showing the actual expenditures and commitments incurred up to that date. After it has received and examined this report, the Committee on Finance and Accounts shall submit to the Assembly such observations and recommendations as it may think fit.

PART V. REPARATION ACCOUNTS AND REPORTS

ARTICLE 65

The Secretary General shall prepare a Quarterly Reparation Report, summarizing both the quantities and types of assets made available and those delivered as German reparation both during the preceding accounting period and during the whole period from the inception of the Agency to the date of the Report, and presenting any information he may have concerning future availabilities.

The Quarterly Reparation Report shall be presented in such form as will facilitate the preparation of the claims of member Governments and the comparison of actual deliveries with the quotas under the Paris Agreement on Reparation of January 14, 1946.

After consideration by the Committee on Finance and Accounts, the Quarterly Reparation Report, together with any comments by the Committee, shall be circulated to all Delegates.

ARTICLE 66

The Sectetary General shall submit to the Assembly an Annual Reparation Report, showing information similar to that in the Quarterly Reparation Report in such detail as may be necessary.

PART VI. BOARD OF AUDIT.

ARTICLE 67

On the basis of a list submitted by the Secretary General, the Committee on Finance and Accounts shall, at the end of each financial year, submit recommendations to the Assembly for the appointment of a Board of Audit for the coming financial year, such Board to be composed of persons not in the regular service of the Agency or of any of the member Governments.

ARTICLE 68

The Board of Audit shall carry out such audits and investigations as may from time to time be required by the Assembly or the Committee on Finance and Accounts.

ARTICLE 69

The Board of Audit shall report to the Committee on Finance and Accounts, with copy to the Secretary General. After examination of the Board's report, the Committee on Finance and Accounts shall submit it, together with the Committee's recommendations, to the Assembly.

ANNEX IV

LIST OF PLANTS MADE AVAILABLE TO AND ALLOCATED BY THE AGENCY AS AT DECEMBER 31, 1949

Notes: (1) Plants No. 1 — 510 inclusive, American Zone
 Plants No. 1001 — 1843 inclusive, British Zone
 Plants No. 2002 — 2386 inclusive, French Zone
 Plants No. 4000 — 4022 and
 4100 — 4119 inclusive, British Zone
 (2) Residual values in Reichsmarks (1938)

Plants or Part-Plants Allocated to the Agency in 1946

A.C.A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A.C.A. Residual Value
1	Kugelfischer Geo. Schaefer & Co. Schweinfurt	Antifriction bearings	1947	RM. (1938) 7.024.654
2	Bayerische Motoren- werke — Munich- Milbertshofen	Aero-engines	1946	11.420.081
4	Grosskraftwerke Mannheim	Electric power station	1946	4.094.760
5	Kloeckner-Humboldt- Deutz — Oberursel	Mechanical engi- neering, general	1946	3.490.410
6	Fritz Mueller Esslingen, Neckar	Machine-tools	1946	2.100.379
7	Bohner & Koehle Esslingen, Neckar	Machine-tools	1946	240.277
9	Hans Hensoldt Herborn-Dillkreis	Lenses and optical instruments	1946	343.802
12	Toeging A.G., Innwerk Toeging, Inn	Hydroelectric power station	1947	403.721
14	Bayerische Motoren- werke No. 2 Munich-Allach	Aero-engines	1946	14.904.365
15	Fabrik Hess Lichtenau Fuerstenhagen	War chemicals plant	1947	7.023.117
17	Carl F. Borgward Bremen	Torpedo factory	1946	390.838
18	Norddeutsche Huette Bremen	Metallurgical works	1947	3.324.615
19	Index-Werke, Hahn Tessky — Esslingen	Machine-tools	1946	1.703.302
20	Fabrik Kaufbeuren Kaufbeuren	War chemicals plant	1947	1.006.357

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
21	Fabrik Aschau Aschau, Muehldorf	Electric power station	1946	2.725.993
22	Fabrik Ebenhausen Ebenhausen	Explosives	1947	3.021.685
23	Heeresmunitionsanstalt Strass — Strass bei Gunzburg	War chemicals plant (munitions)	1947	8 775
24	Deutsche Sprengchemie Geretsried Wolfratshausen	Shell loading	1946	2.334 052
25	Munitions Plant Desching	War engineering plant (munitions)	1946	259.910
32	Westfaelische An- haltische Spreng- stoff — Allendorf	Explosives	1947	16.932.249
36	Betrieb Eschenstruth des Fabrik Hess-Lich- tenau — Eschenstruth	Tools for proces- sing and loading high explosives	1947	701.104
38	Deutsche Sprengchemie Kraiburg, Inn	War chemicals plant	1947	5.696.876
39	Pulverfabrik Hasloch Hasloch a. Main	War chemicals plant	1947	166.765
40	Gustav Genschow & Co. Karlsruhe-Durlach	War engineering plant (munitions)	1947	41.659
42	Dynamit A. G. Landsberg/Lech	Paper casings for armaments	1947	31.878
45	Fritz Sauer Gersthofen	War chemicals plant (pyrotechni- cal)	1947	22.114
47	Paraxolwerk Schrobenhausen, Obb.	Chemicals	1947	1.653.811
48	Heeresmunitionsanstalt Lechfeld	Shell loading	1947	9.495
49	H.M.A. Wildflecken Wildflecken	War chemicals plant (cartridges)	1947	145.018
52	H.M.A. Kleinkoetz Kleinkoetz nr. Guenz- berg	Shell loading	1947	5.435
54	Deutsche Waffen und Munitionsfabriken, Karlsruhe	War engineering plant	1947	75.344
56	Luftmunitionsanstalt Oberdachstetten	War chemicals plant (munitions)	1947	79.587

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
58	Behm & Co. Burgfarrnbach	Aero-engine parts	1947	RM. (1938) 130.816
60	Collis Metallwerke Nordingen	Shell cases	1947	3.808.923
62	Dornierwerke Munich-Neuaubing	Aircraft	1947	61.135
63	Dornierwerke Munich-Neuaubing	Aircraft	1947	352.904
66	R. und H. Reinert Dampf- saegewerk — Murnau	Mechanical engi- neering, general	1947	41.768
68	Dornierwerke Munich-Neuaubing	Aircraft parts	1947	119.247
69	Dornierwerke Weilheim, Obb.	Aircraft	1947	73.253
71	Kelheimer Parkettfabrik Kelheim	Aircraft parts	1947	74.677
72	Strassenmeisterei Siegs- dorf (Dornierwerke) Siegsdorf	Aircraft parts	1947	31.842
73	Dornierwerke Weilheim	Aircraft parts	1947	61.882
74	Dornierwerke Weilheim	Aircraft parts	1948	153.312
76	Maschinenfabrik A. Schlueter Freising, nr. Munich	Aircraft parts	1947	25.765
77	Dornierwerke Weilheim (Bad Toelz)	Aircraft parts	1947	9.045
78	Hoerndlwerke Etterschlag	Aircraft parts	1947	40.809
79	Dornierwerke — Weil- heim-Unterthingau	Aircraft parts	1947	7.438
81	Messerschmitt Eschenlohe	Aircraft parts	1947	950.464
104	Paraxol G. m. b. H. Lippoldsberg	War chemicals plant	1947	607.366
105	Continental-Metall- werke A.G. — Langen- haubach, Dillkreis	Aero-engine parts (propeller hubs)	1947	528.974
106	Henschel Flugmotoren- bau — Altenbauna, nr. Kassel	Aero-engines	1947	1.708.907

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I A R A.	A. C. A. Residual Value
107	Henschel Flugmotorenbau Kassel-Ziegenhain	Aero-engine parts	1947	RM. (1938) 1.600.880
114	Junkers Flugzeug- und Motorenwerke Kassel-Bettenhausen	Aero-engine parts	1947	1.086.632
1001	Waldrich Siegen	Machine tools	1946	1.738.673
1002	Schiess A. G. Duesseldorf	Machine tools	1946	3.314 335
1003	Wagner & Co. Dortmund	Machine tools	1946	1.162.767
1004	Blohm & Voss Hamburg	Shipbuilding	1947	7.430.720
1007	Gutehoffnungshuette Duesseldorf	Oil well drilling equipment	1946	8.713.450
1010	Kurbelwellenwerke Glinde, nr. Hamburg	Aero-engine parts (crankshafts)	1946	6.828.156
1011	Metallwerke Neuengamme Neuengamme nr. Hamburg	Small arms	1946	1.549.756
1012	Hanseatisches Kettenwerk Hamburg- Langenhorn	War engineering plant (munitions)	1946	2.651.798
1014	Norddeutsche Dornier Werke No. 2 Luebeck	Aircraft parts	1946	189 613
1015	Norddeutsche Dornier Werke No. 4 Luebeck	Aircraft parts	1947	186.209
1016	Richard Rinker Menden	War engineering plant	1946	878 567
1017	Metallwerke Wolfenbuettel Wolfenbuettel	War engineering plant	1947	1.608.533
1018	Wolff & Co. (Eibia) Bomlitz	War chemicals plant	1947	10.426.356
1019	Wolff & Co. (Eibia) Dorverden	War chemicals plant	1948	3.086.747
1020	Wolff & Co. (Eibia) Liebenau	War chemicals plant	1947	5.299.902

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1021	Dynamit A.G. Dueneburg	Explosives	1947	RM. (1938) 6.995.241
1022	Dynamit A.G. Krummel	Explosives	1947	21.134.594
1023	Waaren Commission A.G. Dragahn, Dannenberg	Explosives	1947	2.114.748
1024	Dynamit A.G. Clausthal-Zellerfeld	War chemicals plant	1947	10.323.750
1025	Heeresmunitionsanstalt Ahrbergen	Loading of shells and hand-grenades	1946	201.168
1026	Hans Moog Wuppertal / Ronsdorf	War chemicals plant (pyrotech- nical)	1946	17.762
1028	Marine Sperrwaffen- arsenal Soltau	War chemicals plant	1946	52.130
1029	Heeresmunitionsanstalt, Lehre	Shell loading	1946	425.452
1030	Heeresmunitionsanstalt, Grasleben, Helmstedt	War engineering plant (munitions)	1948	67.875
1031	Lufthauptmunitions- anstalt Hambuhren / Hanover	War engineering plant (munitions)	1947	655.609
1032	Heeresmunitionsanstalt Lockstedter-Lager	Shell loading	1946	182.921
1033	Heeresmunitionsanstalt Bodenteich	Shell loading	1946	148.175
1034	Fuellanstalt Clauen Clauen	Shell loading	1946	155.637
1035	Heeresmunitionsanstalt, Godenau / Alfeld	War engineering plant (munitions)	1947	47.749
1036	Lufthauptmunitions- anstalt — Nienburg- Langendamm	War engineering plant (munitions)	1947	445.819
1037	Heeresmunitionsanstalt Celle in Scheuen	Shell loading	1946	27.508
1039	Chemische Werke Harz Weser Langelsheim	War chemicals plant	1947	1.350.204
1040	Stuhlrohrfabrik R. Sieverts Hamburg-Bergedorf	War engineering plant	1946	41.681

A.C.A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A.C.A. Residual Value
1044	V.D. M. Halbzeugwerke Leverkusen- Kueppersteg	War engineering plant (detonators)	1947	RM. (1938) 13.814
1050	Munitionsanstalt Lenglern, Hanover	War engineering plant (aircraft ammunition)	1947	14.373
1055	Blohm & Voss Hamburg	Aircraft parts	1947	330.935
1058	Blohm & Voss Hamburg	Aircraft	1947	58.656
1060	Blohm & Voss Hamburg-Altona- Bahrenfeld	Aero engine parts	1947	78.227
1084	Viking Werkstaetten Flensburg-Neustadt	Aircraft parts	1947	13.593
1097	Baehre & Greten Springe, nr. Hanover	Aircraft parts	1947	79.877
1109	Ludwig Hansen & Co. Munster	Aircraft repairs	1947	147.657
1119	Brinker Eisenwerke Hanover-Langenhangen	Aircraft repairs	1947	140.289
1138	Oskar Schneider & Co. Leichlingen / Rheinland	War engineering plant	1947	36.999
1149	Engelhardt & Foerster Verden, Hanover	Aero-engine parts	1947	36.478
1159	Wittener-Maschinenbau Witten-Ruhr (Westphalia)	War engineering plant (shells)	1947	434.453
1187	F. Meyer & Soehne, Luetzenburg	Aero-engine parts	1947	21.014
1202	Bochumer Verein A.G. Bochum	War engineering plant	1947	1.558.933
2002	Aluminiumwerke, Tscheulin, Tenningen	Aluminium wares	1947	1.015.058
2005	Arms Factory, Mauser & Co. Oberndorf	Small arms	1947	7.888.233
2009	Robert Bosch Sulz	War engineering plant (electrical and mechanical equip- ment)	1947	192.646

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
2010	Sueddeutsche Dornierwerke Manzell- Friedrichshafen	Aircraft parts	1947	RM. (1938) 41.568
2011	Sueddeutsche Dornierwerke Konstanz	Aircraft parts	1947	45.082
2013	Sueddeutsche Arguswerke Baden-Baden	Aircraft parts	1947	103.653
2016	Sueddeutsche Arguswerke Pfullendorf	Aero-engine parts	1947	68.720
2017	Stahlwerke Reutlingen	War engineering plant	1947	35.455
2020	Luftschiffbau Zeppelin Friedrichshafen	War engineering plant	1947	157.613
2026	Maybach-Motorenbau Friedrichshafen	War engineering plant (motors for lorries)	1947	968.257

Plants or Part-Plants Allocated to the Agency in 1947

33	Fabrik Wolfratshausen Wolfratshausen	War chemicals plant	1947	6.288.128
34	Fabrik Muenchen Munich	War engineering plant (detonators)	1947	1.997.283
35	D. A. G. Kaufering Kaufering, Landsberg	War chemicals plant	1947	3.156.280
37	Fabrik Bobingen der Gesellschaft m. b. H. zur Verwertung Che- mischer Erzeugnisse Bobingen	Explosives	1948	1.561.283
48	Dynamit A. G. Nuernberg	War engineering plant	1947	649.912
50	Heeresmunitionsanstalt St. Georgen, nr. Traunstein	Shell loading	1947	1.084.718
64	Dornierwerke Landsberg	Aircraft	1947	71.957
80	Messerschmitt Augsburg	Aircraft parts	1947	2.488.382

A.C.A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A.C.A. Residual Value
82	Messerschmitt Regensburg	Aircraft parts	1947	465.224
83	Messerschmitt Sinzing	Aircraft parts	1947	178.568
87	Messerschmitt Badenwoehr	Aircraft parts	1947	2.410
89	Messerschmitt Pfreimd	Aircraft parts	1947	94.724
90	Messerschmitt Frontenhausen	Aircraft parts	1947	117.551
91	Messerschmitt Deggendorf	Aircraft parts	1947	38.401
94	Messerschmitt Neustadt	Aircraft parts	1947	156.540
95	Messerschmitt Flossenburg	Aircraft parts	1947	53.127
96	Messerschmitt Obernzell, near Passau	Aircraft parts	1947	55.830
122	Kloeckner-Humboldt- Deutz A.G. Werk Ulm Ulm	War engineering plant	1947	772.278
123	W. & W. Schenk Leichtgusswerke K.G. Maulbronn	War engineering plant (aluminium and brass castings)	1947	153.833
124	Focke-Wulf Flugzeugbau G.m.b.H. Bremen	Aircraft parts	1947	938.090
205	Gerhard Fieselerwerke Kassel	Aircraft	1948	48.643
206	Gerhard Fieselerwerke Frankenberg / Elbe	Aircraft	1947	35.808
208	Gerhard Fieselerwerke Lohfelden	Aircraft	1947	320.053
209	Gerhard Fieselerwerke Monchenhof	Aircraft	1947	74.212
211	Junkers Werke Veckershagen	Aero-engines	1947	381.120
212	Messerschmitt Oberammergau	Aircraft	1947	382.594
213	Messerschmitt Straubing	Aircraft	1947	73.367

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocat- ion by I.A.R.A.	A. C. A. Residual Value
215	"Weser" Flugzeugbau G.m.b.H., Werk Farge Bremen	Mechanical engi- neering products (medical applica- nces)	1948	RM. (1938) 145.083
433	Continental Metall A.G. Oberursel	Aero-engine parts	1947	124.779
434	Continental Metall A.G. Heddernheim	Aero-engine parts	1948	92.679
435	Continental Metall A.G. Graevenwiesbach	Aero-engine parts	1948	1.190.900
436	Continental Metall A.G. Gross-Auheim	Aero-engine parts	1947	983.777
438	Luftfahrtgeraetebau Gebr. Haage Stuttgart-Vaihingen	Aero-engine parts	1947	44.259
439	Hans Klemm Flugzeugbau Boeblingen	Aircraft parts	1948	105.402
440	Elma G. m. b. H. Waiblingen	Aircraft parts	1948	204.187
441	Messerschmitt Augsburg	Aircraft parts	1947	234.356
442	Messerschmitt Garmisch	Aircraft testing laboratory	1948	158.057
1049	Burmester Trittau Gustav Burmester Trittau nr. Kellenberg	War engineering plant	1948	15.853
1056	Blohm & Voss Wenzendorf nr. Buchholz	Aircraft	1947	145.007
1062	Peschke Flugzeug Werkstaetten Mindens	Aircraft repair	1947	95.687
1067	Espenlaub Flugzeugbau Wuppertal/Langerfeld	Aircraft repair and gliders	1948	768.505
1071	Polte-Werke Duderstadt	Shells	1948	3.467.060
1072	Metallwerke Odertal G. m. b. H. Odertal	Ammunition	1948	379.084
1081	Continental Metall A.G. (V.D. M.) Hamburg-Bahrenfeld	Aircraft propellers	1947	69.595

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1083	Avia Fabrik fuer Luftfahrtbedarf G. m. b. H. Hamburg	Aero-engine parts	1947	RM. (1938) 60.854
1085	Deutsche Lufthansa A.G. — Travemuende, nr. Luebeck	Aircraft parts	1948	280.297
1086	Anschuetz & Co. G. m. b. H. Feinmechanische Werke Bellin, Kiel	Gyro equipment	1947	138.506
1087	Feinmechanische Werke Howacht (Anschuetz) Howacht, Kiel	Gyro equipment	1948	499.554
1088	Anschuetz & Co. G. m. b. H. Kiel-Neumuehlen	Gyro equipment	1947	400.485
1089	Anschuetz & Co. G.m.b.H. Selent Works Landesjugendheim-Selent	Gyro equipment	1947	7.102
1090	Phoenix G. m. b. H. (Anschuetz) — Eutin	Gyro equipment	1947	67.719
1092	Vereinigte Deutsche-Metall-Werke (Halbzeugwerke) G. m. b. H. Hildesheim	War engineering plant	1948	2,184.794
1094	Schelter & Giesecke A.G., Marie Glueck Salt Mine — Hofer	Aero-engine parts	1947	241.970
1098	Bohn & Kahler A. G. Ascheberg Kiel	Aero-engine parts (components of gear type fuel pumps)	1947	148.522
1099	Union Robert Temme & Co. (Sils van der Loo) Hameln	Aircraft parts	1948	2,568.286
1100	Helmstedter Maschinenbau A. G. (Helmag) Helmstedt	Aircraft parts	1947	58.206
1102	"Messap" Deutsche Messapparate G.m.b.H. — Uetersen	War engineering plant	1947	161.866
1104	Land und See Leichtbau G.m.b.H. No. 2 Works, Kolonnen Weg, Kiel	Aircraft sheet metal	1947	49.427

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1106	Nordmark Geraetebau Ernst Horn — Bokland	Aero-engine com- ponents	1947	RM. (1938) 1.967
1108	Kagel-Betrieb, (Vereinigte Leichtmetall Hanover) Lengerich	Aero-engine parts	1947	585.436
1110	Luther & Jordan Werk I, Brunswick	Aircraft parts	1948	212.347
1111	Bessert, Nettelbeck & Mertens — Hameln	Aircraft parts	1947	29.580
1112	Hans Guenter Moeller Delmenhorst	Aircraft parts	1947	78.011
1114	Luther & Jordan Werk II Bienrode	Aircraft assembly & testing	1948	7.748
1116	Luther & Jordan Werk IV Bahnhofstrasse, Brunswick	Aircraft assembly & testing	1948	9.769
1122	Theodor Klatte Braul, Emsland	Aero-engine parts	1948	23.247
1128	Pinnau Werke Uetersen Uetersen	Gas mask filters	1947	1.899
1130	Veltrup-Werke A. G. Werl Prison, Muenster	Aero-engine parts (machine-gun bar- rels, oil pumps)	1947	612.353
1131	Union Robert Temme & Co. (Sils van der Loo) Werl Prison, Muenster	War engineering plant (fuses)	1947	581.807
1134	Louis Gaebler & Co. Peine	Munitions	1948	28.057
1137	Bergisch Maerkische Eisenwerke — Velbert	Munitions	1948	1.389.739
1139	Bismarck Werke A. G. Wuppertal-Ronsdorf	Munitions, radar	1948	71.156
1140	Karges Hammer Gifhorn	Mechanical engi- neering products	1948	235.852
1152	Gewehr Fabrik H. Burg- mueller & Soehne G. m. b. H. Kreiensen/Harz	Mechanical engi- neering products	1948	312.253
1158	Toenshoff G. m. b. H. Horn	Munitions	1947	1.442.656
1164	Oldenburger Leichtme- tall, G. m. b. H. Oldenburg	Aircraft parts	1947	90.006

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1169	Land und See Leichtbau G. m. b. H. (Nord- deutsche Lederwerke) Werk No. 3, Neumuenster	Aircraft parts	1947	RM. (1938) 13.221
1170	Land und See Leichtbau G. m. b. H. No. 9 N. Rendsburg	Aircraft	1947	22.825
1171	Land und See Leichtbau G. m. b. H. No. 1 N. Neumuenster	Aircraft	1947	84.225
1172	Land und See Leichtbau G. m. b. H. No. 3 N. Neumuenster	Aircraft repair and and flight testing	1947	10.694
1173	Land und See Leichtbau G. m. b. H. No. 8 N. Schleswig	Aircraft parts	1947	158.028
1174	Emil Schultz Engine Works — Kiel	Aero-engine parts	1947	26.785
1176	Aero-Stahl Fluggerae- bau G. m. b. H. Koenigswinter	Aero-engine parts	1947	288.415
1186	Feinmechanische Werk- staetten (Wilhelm Lehmann & Co.) Hamburg-Schnelsen	Mechanical engi- neering products	1948	877.470
1189	Gebrueder Becker Hon- nep — Wuppertal- Wicklinghausen	Mechanical engi- neering products	1948	147.677
1190	Boucke G. m. b. H. Wipperfuerth	Munitions	1948	3.193 947
1194	Leichtmetallbau Schultze Hamburg-Bahrenfeld	Aircraft parts	1948	42.824
1195	Ernst Pump Werk- staetten fuer Praezi- sions-Mechanik Hamburg	Aero-engine parts	1947	51.763
1203	Pommersche Motoren- werke G. m. b. H. Rissen. near Hamburg	Aero-engine-parts	1948	223.041
1212	Friedrich Christoffers Delmenhorst	Valves for speed boats and mine- sweepers	1947	85.585

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by A.R.A.	A. C. A. Residual Value
1243	Hamburger Metallwerke v. Georg Dittmann Hamburg Billbrook-deich	Non-ferrous metals	1947	RM. (1935) 227.925
1246	Bochumer Verein Geschossfabrik Bochum	Munitions	1948	6.201.019
1253	Metallwerke Sperr-lattental St. Andreasberg	Munitions	1947	407.105
1257	Alfred Berning Maschinenbau A.G. Schwelm	War engineering plant	1947	332.039
1258	Land und See Leichtbau G. m. b. H. No. 2 N. Neumuenster	Aircraft parts	1947	6.425
1260	Deutsche Linoleum-werke A. G. Delmenhorst	Aircraft repair	1947	17.712
1268	Maschinenfabrik Hans Lutz — Hamburg-Billstedt	Mechanical engineering products	1947	65.357
1291	Metallwerk Wandhofen Schwerte	Munitions	1948	8.845
1294	Weserhuette A. G. Weserstollen Bad-Oeynhausen	Munitions	1947	364.664
1336	Spandauer Stahlindustrie G. m. b. H. Berlin-Spandau	Iron and steel products	1948	792.060
1375	Weser Metall Industrie (formerly Weser-flugzeugbau) — Achim	Aero-engine parts	1947	109.814
1377	Johann Ploen Pensionshaus — Schierhorn	Aero and marine engine parts	1947	16.976
1381	Luftmunitionsanstalt Traum-Rickall, near Dannenberg	Munitions	1947	104.815
1382	Land und See Leichtbau No.11 — Neumuenster	Mechanical engineering products	1948	18.340
1386	Baronia Fahrzeugfabrik Heidemann & Co. Kachtenhausen near Lage / Lippe	Aero-engine parts	1948	34.675

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1387	Wilhelm Bormann Lustringen	Aero engine parts	1947	81.685
1388	Haendler & Natermann A. G. Hanover-Muenden	Aircraft parts	1947	5.661
1389	Arntzen-Leichtbau A. G. Brackwede, Hamburg	War engineering plant	1947	164.658
1392	W. Edward Puck Carolinienstrasse Hamburg	Aircraft parts	1947	1.902
1393	Theodor Klatte Weener Emsland	Aero-engine parts	1947	462.636
1396	Walter Finger Maschinenfabrik Metallbau — Wrestadt	Aero-engine parts	1947	18.260
1397	Gewerkschaft Beharrlichkeit Behmte	Aircraft parts	1948	87.857
1398	Land und See Leichtbau G. m. b. H. No 1 K Kiel-Hassee	Aircraft parts	1948	145.029
1399	Land und See Leichtbau G. m. b. H. No. 4 N Neumuenster	Aircraft parts	1947	4.143
1401	Grassmann & Co. Bielstein	War engineering plant	1948	77.700
1402	Eltron Werke Holzminden	War engineering plant	1948	336.315
1405	Bayer & Klephaus G. m. b. H. — Schwelm	Aircraft parts	1947	5.898
1408	A. Frankewerke A. G. Twistringen	Aero-engine parts	1948	72.498
1463	Focke Achgelis (Weser Metall) Delmenhorst (formerly Weser Flug- zeugbau G. m. b. H.) Hoykenkamp	Helicopters (and boat equipment)	1948	70.881
1473	Hans Preiss G. m. b. H. Hameln	Munitions	1947	15.891
1475	O. Rittinghaus & Soehne Vossinkel	Mechanical engi- neering products	1947	58.722
1476	Paul Sovenbreck, G.m.b.H. — Hamburg	Munitions	1947	109.587

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1480	Max Rentsch Maschinen und Zahnraederfabrik Hamburg	Aircraft parts	1947	RM. (1938) 75.948
1482	Sprengstoff-Fuellanlage Dehlingen- Muensterlager	War chemicals plant	1947	80.501
1494	Fritz Husemann Guetersloh	Munitions	1948	12.869
2018	Paul Haussler Konstanz	Machine tools	1947	92.952
2022	Dinawerke Mayer & Grammelpaker Rastatt	Aero engine parts	1947	149.852
2023	Hansa Metallwerke Gauselfingen	War engineering plant	1947	38.043
2030	Welser Bleialf	Armaments (and aircraft parts)	1948	128.399
2031	Vise-Bosch Treis	Sparkling plugs	1948	21.820
2035	Dornierwerke Meersburg	Aero engine	1947	5.835
2036	Dornierwerke Nussdorf	Aero engine	1947	45.020
2037	Dornierwerke Wasserburg	Aero engine	1947	3.420
2077	Dornierwerke Langenargen	Aircraft	1948	16.156

Plants or Part-Plants Allocated to the Agency in 1948

26	Anorgana Gendorf	Chemicals	1948	2.779.011
129	Kurhessischer Schieferbergbau Sontra	Production of copper matte	1948	89.633
130	Vereinigte Deutsche Metallwerke Heddernheim, Hesse	Rollings and exten- sion of light metals	1948	2.278.935
134	Electrochemischewerke Munich	Concentrated hydrogen peroxide	1948	33.684
135	Chemische Werke V. Transche Gersthofen	Hydrazine hydrate	1948	1.594.823

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
174	Heinrich Diel Rotenbach	Light metal semi-manufactures	1948	RM. (1938) 2.455.947
189	Elektron G. m. b. H. Bad Cannstatt	Light alloy castings	1948	439.480
203	Alexander Wacker Burghausen	Plastics and solvents	1948	74.505
218	Adlerwerke, vorm. Kleyer Frankfurt	Motor cars	1948	2.551.609
255	Fulmina Werke Mannheim	Industrial ovens	1948	73.450
260	Geissler Munich	Mechanical engineering products	1948	820.875
276	Herkules-Werke Nuernberg	Motor cars	1948	40.217
281	Hommel Werke Mannheim	Mechanical engineering (machine-tool accessories)	1948	677.834
282	Vorrichtungsbau Hueller Ludwigsburg	Small tools	1948	81.751
292	Kiefer Maschinenfabrik Stuttgart	Pneumatic equipment	1948	172.785
294	Klein Oberesslingen, Wuerttemberg	Pneumatic equipment	1948	145.022
297	Kodak A.G. Einsingen	Phototechnics	1948	205.632
301	Krupp Geisenheim	Pneumatic equipment	1948	495.545
306	Leistritz Mafs Nuernberg	Pumps	1948	301.031
312	Mahler Esslingen	Industrial ovens	1948	38.119
319	Maschinenfabrik Beilhack — Rosenheim	Engine components	1948	323.566
331	Maschinenfabrik Wiesbaden — Wiesbaden	Structural steel work	1948	167.457
333	Maurer Munich	Structural steel work	1948	153.624
336	Meissner & Wurst Stuttgart	Pumps and compressors	1948	34.144
345	Mueller & Wagner Wallau	Engineering plant	1948	127.853

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I A R.A.	A. C. A. Residual Value
352	Ortlieb Esslingen	Machine tools	1948	RM. (1938) 272.321
371	Rohleder Kessel- schmiede — Stuttgart	Boilers and accessories	1948	17.728
376	Saeuferer & Co. Plochingen	Mechanical engineering products	1948	49.586
380	Schiele Eschborn	Pumps and compressors	1948	104.988
381	Schiesser Nuernberg	Engineering plant	1948	25.900
384	Schmidt & Schaudt Stuttgart	Machine tools	1948	345.077
385	Schmidt & Sohn Nuernberg	Material handling equipment	1948	85.208
397	Stiefelmayer Esslingen	Mechanical engineering products	1948	425.071
403	Stoehr Offenbach	Material handling equipment	1948	203.170
411	Ultrapraezisions Werk Aschaffenburg	Machine tools	1948	258.558
414	Gebrueder Wagner Stuttgart	Boilers and accessories	1948	123.224
421	Ad. Zaiser Stuttgart	Lifting apparatus	1948	90.614
443	Kalle & Co. Wiesbaden	Methyl-cellulose	1948	164.595
464	Deutsche Pyrotechnics Fabrik — Cleeborn	War chemicals plant (pyrotechnical products)	1948	39.223
479	Kopp & Co. Munich	Soap products	1948	11.329
504	Fraenkische Eisenwerke Niederscheld	Steel plant: converter	1948	9.422
505	Theodor Klatte Bremen	Aircraft parts	1948	270.240
510	Saline Ludwigshall Bad Wimpfen	Sodium and aluminium fluoride	1948	27.433
1009/4	Friedrich Krupp Essen	Mechanical engineering	1948	2.760.662
1009/5	Friedrich Krupp Essen	Construction of machines	1948	4.476.420
1009/7	Friedrich Krupp Essen	Moulding and steel casting	1948	3.305.484

A.C.A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by .A.R.A.	A.C.A. Residual Value
1009/8	Friedrich Krupp Essen	Mechanical and tool manufacturing workshop	1948	RM. (1938) 2.697.993
1009/9	Friedrich Krupp Essen	Forging press works	1948	1.582.727
1009/11	Friedrich Krupp Essen	Siemens Martin steel works	1948	1.426.206
1009/12	Friedrich Krupp Essen	Armour plate mill, pressing and drawing plant	1948	3.044.596
1009/14	Friedrich Krupp Essen	Agricultural maschine and fuse shop, foundry	1948	413.776
1009/15	Friedrich Krupp Essen	Heat treatment	1948	1.128.409
1009/18	Friedrich Krupp Essen	Machine and welding shop	1948	56.350
1009/20	Friedrich Krupp Essen	Light railway rolling stock	1948	20.795
1009/26	Friedrich Krupp Essen	Tyre (rolling) mill	1948	961.435
1048	Deutsche Waffen Schlutup-Luebeck	War engineering plant (ammunition)	1948	3.452.588
1051	Kriegsmarine Arsenal Tannenhause	Shells	1948	629.373
1052	Heeresmunitionsanstalt Volpreihausen, Hanover	War engineering plant (shell filling)	1949	282.759
1054	Dynamit A.G. Hanover	War engineering plant (ammunition)	1948	456.237
1073	H. Walter Ahrensburg	Torpedoes	1948	534.284
1074	Atlas Werke Elmshorn	Submarine detec- ting apparatus	1948	113.323
1075	Holsteinische Maschinenbau — Kiel	Diesel engines	1948	3.479.263
1077	Maschinenfabrik Nie- dersachsen Hanover (M. N. H.) G. m. b. H., Works No. 2 — Laatzen	Guns and tanks	1949	620.461
1078	Lonal Werke G. m. b. H. Leese, Hanover	War chemicals (poison gas)	1949	2.643.863

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1079	C. F. Hahnenberg G. m. b. H. Leese, Weser	War chemicals (poison gas)	1949	RM. (1935) 2.900.814
1082	Deutsche Messapparate Hamburg	War engineering plant	1948	1.033.243
1096	Rheinmetall-Borsig A.G. Duesseldorf, N. Rh. Westf.	Aero-engine parts	1949	7.814.798
1107	Franz Kaminski Hameln Weser Hanover	Aero-engine parts	1949	385.457
1117	Bussing N A G Flug- motorenwerk Brunswick	Aero-engines	1948	7.631.708
1126	Maschinen für Massen- verpackung—Luebeck	Shell cases	1948	6.477.176
1132	Schneider Optische Werke — Goettingen	Cameras & teles- scopes	1948	323.745
1135	Friedrich Krupp, Stahl- bau Langenhagen	Bridges, U-boat sections	1949	589.839
1147	Rheinmetall Borsig Unterluess, Kr. Celle	Guns	1948	994.716
1151	Maschinenfabrik Nie- dersachsen-Hanover G.m.b.H. — Ahlen, Hanover	Crankshafts and gear boxes for tanks	1948	104.485
1154	Stahlwerke Rochling- Buderus A. G. Mehle bei Hanover	War engineering plant (torpedoes, propeller shafts, etc.)	1949	150.636
1210	Kriegsmarinearsenal Kiel	War engineering plant (maintenance of naval equipment)	1949	755.164
1236	Metallwerke Silber- huette G. m. b. H. St. Andreasberg, Hanover	War engineering plant (munitions)	1949	210.591
1242	Duerkopp Maschinenbau G.m.b.H. — Kuense- beck, N. Rh. West.	Anti-aircraft gun carriages	1949	1.748.106
1293	Dortmund Hoerde Dortmund	Guns, tanks and shells	1948	11.053.899
1297	Berlin-Luebecker Maschinenfabrik (Bernhard Berghaus) Luebeck	Small arms	1949	2.348.621

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1318	Dr. Ing. Boehme & Co. Minden, N. Rh. Westf.	Ball bearings	1949	685.438
1409	Weser Metallindustrie Delmenhorst	Aircraft parts	1948	76.098
1410	Otto Schickert & Co., K. G. — Rhumspringe	War chemicals plant (concentrated hydrogen peroxide)	1949	10.916.436
1411	Otto Schickert & Co., K. G. Bad Lauterberg Hanover	War chemicals plant (concentrated hydrogen peroxide)	1949	13.240.932
1431	Vereinigte Leichtmetall- werke — Linden	Light alloy products	1948	5 022.777
1481	T. V. A. (Surendorf) Eckernfoerde, Schleswig-Holstein	Torpedoes	1949	2.531.930
1489	Ruhrstahl A. G. Witten, Ruhr	Pumps, machines for pipes	1949	99.640
1527	I.G.Farben — Uerdingen, N. Rh. Westf.	Synthetic resins	1949	116.470
1638	Eisenwerke Weserhuette, A. G. — Bad-Oeyn- hausen, N. Rh. Westf.	Mining equipment	1948	1.641.315
1639	Lippstädter Eisen- und Metallwerke, Lippstadt	Mechanical engineering	1948	2.804.170
1642	Hanseatische Lehren- bau — Bergedorf	Gauges, loading gauges and matrices (dies)	1949	188.070
1643	Espera Werke A. G. Wanne-Eickel	Weighing machines	1948	55.583
1645	C. Lorenz A. G. Escherhausen	Electrical arma- ments	1948	90.263
1683	Achenbach & Soehne Plettenberg-Ohle	Boilers	1948	36.437
1692	Franz Berrenberg Haan	Presses, shears	1948	133.705
1696	Hermann Boecker Koeln-Kalk	Winches and conveyors	1948	37.291
1697	Boucke & Co. Halver, N. Rh. Westf.	Tins for food preser- ves and accessories for automobiles	1949	613.966
1706	Deutsche Hebezeug- fabrik — Duesseldorf	Cranes	1948	217.369

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1710	Dortmunder Union Brueckenbau Gelsenkirchen, N. Rh. Westf.	Boilers and conveyors	1948	RM. (1935) 116.450
1718	Geier-Werke Lengerich	Stone crushing and screening machines	1948	10.574
1734	P. W. Heider & Co. Weidenau	Sheet metal products	1948	312.594
1736	Karl Held Duisburg-Hamborn, N. Rh. Westf.	Boilers	1949	16.378
1738	Ernst Hese Herten	Mining equipment accessories	1948	35.765
1739	Hettner Bohrmaschinen- fabrik—Muenstereifel	Machine-tools	1948	176.637
1741	Hulsbeck & Fuerst Velbert	Door locks and automobile accessories	1949	180.661
1752	W. Knapp Wanne-Eickel	Winches, conveyors	1948	80.476
1760	Krumm & Co. — Rem- scheid Vieringhausen N. Rh. Westf.	Forged and stamped parts	1949	383.189
1762	Lauf, Bungert u. Winne- berg—Muelheim-Ruhr	Winches, cranes	1948	41.811
1764	Albert Lob Duesseldorf	Boiler accessories	1948	68.367
1765	Gebr. Ledige Paderborn	Metal products	1948	15.862
1770	Messer-Fabrik Remscheid	Machine knives, press moulds	1948	47.936
1771	Muehleisen Wuppertal	Lifts and winches	1948	36.906
1776	Paul Pollrich & Co. Muenchen-Gladbach	Blowers	1948	16.685
1783	Roehren & Schweiss- werke — Herne	Welded tubes	1948	238.195
1786	Albert Schaefer Recklinghausen, N. Rh. Westf.	Tubes	1949	9.601
1787	Scharmann & Co. Rheydt	Machine-tools	1948	118.277
1793	W. O. Schulte, K. G. Plettenberg	Metal products	1948	202.603

I. A. of int	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
'96	Siebeck Metallwerke G.m.b.H. — Ratlingen	Mechanical engineering	1948	RM. (1938) 69.119
313	Heinrich Wagner Laesphe	Foundry equipment	1948	39.713
331	Danzigerwerft Hamburg	Pipes and farm machinery	1948	31.879
332	Deicke & Kopperschmidt Hamburg	Central heating installations	1949	12 825
335	Menck & Hambrock, G. m. b. H., Hamburg-Altona	Equipment for building and road construction	1949	123.941
338	Th. Rose K. G. Hamburg-Altona	Valves and taps	1948	47.559
341	Accumulatorenfabrik Hanover-Stoecken	Accumulators	1949	1.732.083
342	C. Plath Hamburg-Bahrenfeld	Gyro-compasses	1948	122.153
843	Blumberg & Co. Lintorf, N. Rh. Westf.	Mechanical engi- neering (caps for children's toy pistols)	1949	3.324
027	Ottavi Minen Blumberg	Vanadium produc- tion	1948	586.906
028	Degussa Rheinfelden	Beryllium and beryllium salts production	1948	173.965
029	Kopperschmidt Blumberg	Mechanical engi- neering (plexiglass components)	1948	243.545
2033	Dornierwerke Rickenbach	Aircraft parts	1948	39.231
2034	Dornierwerke Wangen	Aircraft parts	1948	158.773
2075	I. G. Farben Rottweil	Explosives	1948	205.336
2109	Dynamit A. G. Pulver- fabrik — Hamm	War chemical plant (detonators)	1948	92.697
2133	Funkstrahl Konstanz	Radio equipment	1949	215.195
145	Remynolwerke, Bendorf	Minium	1949	18.970
150	I. G. Farbenindustrie Ludwigshafen	Chemical products for textiles and leather	1949	71.786

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
2151	Beutler Lahr	Activated carbon	1948	176.786
2152	Chemische Fabrik Weinheim — Ingelheim	Activated carbon	1948	136.116
2154	Knoll Ludwigshafen	Alcaloids and plant extracts	1949	40.053
2157	I. G. Farben Ludwigshafen	Formaldehyde	1949	263.498
2162	I. G. Farben Ludwigshafen	Hexamethylene diamine	1949	25.123
2168	I. G. Farben Ludwigshafen	Pyrrolidone	1949	1.386
2193	I. G. Farben Ludwigshafen	Sulphorous anhydride	1949	84.000
2197	I. G. Farben Ludwigshafen	Aluminium chloride	1949	83.092
2199	I. G. Farben Oppau	Formamide	1949	61.018
2205	Beutler & Co. Lahr (Dinglingen)	Mechanical engineering products	1948	85.225
2234	Eugen Fahrion Bitz-Ebingen	Tools	1948	27.237
2235	Fichter & Hackenjos Villingen	Clock-making	1948	94.790
2242	Genkinger Munzingen	Lifting apparatus	1948	30.491
2256	W. Hegner Schwenningen	Machine-tools	1948	44.463
2257	Heinemann St. Georgen (Baden)	Machine-tools	1949	272.168
2260	F. Hermle & Soehne Gosheim	Clock-making	1948	240.589
2265	Jackie Johann G.m.b.H. Schwenningen	Clock-making	1948	179.500
2271/ 2388	Junghans A. G. Schramberg	Clock-making	1949	677.310
2274	Kaiser Uhrenfabrik Villingen	Clock-making	1949	393.476
2276	Hugo Kern Schramberg	Clock-making	1949	10.754
2299	Joseph Mehrer Balingen	Compressed air pumps	1948	16.670

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
2310	Pollux Ludwigshafen	Machine-tools	1948	83.588
2335	Stotz Weingarten	Pumps and compressors	1948	11.149
2345	Uhrenfabrik Muehle im Mueller — Muelheim	Clock-making	1949	357.560
2352	Wafios Maschinenfabrik Reutlingen	Machine-tools	1949	120.802
2356	Montanwerke Walter Tuebingen	Tools	1949	37.484
2365	G. Wurthner Schwenningen	Clock-making	1948	15.328
2377	SABA Villingen	Mechanical engi- neering (electronics)	1949	63.730
2378	Tobias Badurle St. Georgen	Clock-making	1949	41.732
2383	Johann Morat & Soehne Eisenbach	Clock-making	1949	54.184

Plants or Part-Plants Allocated to the Agency in 1949

29	I. G. Farben, Sauerstoff- werke — Griesheim	Industrial gases		174.758
125	Wintershall, Heringen	Magnesium production		2.859.569*
128	Vereinigte Aluminium- werke — Toeing	Aluminium production		1.518.256*
173	Buderus'sche Eisen- werke — Wetzlar	Steel plant	1949	268.980
197	Wieland-Werke A. G., Ulm-Voehringen	Processing of aluminium, copper and zinc		1.289.661
200	I. G. Farben, Hoechst Hoechst	Chlorinated solvents		381.797
201	I. G. Farben Gersthofen	Wax		41.687
252	Karl Frank G. m. b. H. Birkenau, Odenwald	Mechanical engi- neering products	1949	299.677
278	Dr. Ing. Heymans Auer- bach, near Darmstadt	Precision enginee- ring		85.789

* Since the end of 1949, modified values for plants 125 and 128 have been notified to the Agency by the R.D.R.D.

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocat- tion by I.A.R.A.	A. C. A. Residual Value
304	H. Lavis Soehne Offenbach	Boilers and acces- sories		RM. (1938) 220.435
318	M. A. N. Augsburg	Prime movers		285.892
364	Ernst Reime Nuernberg	Mechanical engi- neering products	1949	177.776
367	Rheinhuette Wiesbaden	Metallurgical equipment		270.327
407	Sueddeutsche Praezi- sions Werke Geislingen	Mechanical engi- neering products	1949	402.468
444	Chemische Werke, Kurt Albert — Wiesbaden	Moulding powders and artificial copals		16.560
467	M. Kappus Offenbach	Soap products		84.442
468	P. J. Moebs Giessen und Asslar	Soap products	1949	77.095
471	Roehm & Haas Darmstadt	Soap powders		3.383
474	Kraemmer u. Flammer Heilbronn	Soap products	1949	143.663
493	I. G. Farben, Sauerstoff- werke Kassel-Mittelfeld	Industrial gases		174.390
502	Dillingerhuette Mannheim	Steel plant	1949	16.494
503	Haas & Sohn Sinn	Converter for steel production		8.398
508	Vereinigte Flusspat- werke — Stulln	Fluorine compounds		1.068.515
509	Suedwerke Bamberg	Trucks		1.602.587
1009/1	Friedrich Krupp Essen	Iron and steel	1949	1.389.913
1009/2	Friedrich Krupp Essen	Mechanical engi- neering	1949	1.232.246
1009/6	Friedrich Krupp Essen	Mechanical engi- neering	1949	1.015.569
1009/10	Friedrich Krupp Essen	Iron and steel production	1949	1.004.086
1009/13	Friedrich Krupp Essen	Mechanical engineering	1949	371.440

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
			RM. (1938)	
1009/16	Friedrich Krupp Essen	Mechanical engineering	1949	19.143
1009/17	Friedrich Krupp Essen	Iron and Steel production	1949	443.663
1009/19	Friedrich Krupp Essen	Mechanical engineering	1949	668.687
1009/21	Friedrich Krupp Essen	Iron and steel production	1949	568.404
1009/22	Friedrich Krupp Essen	Mechanical engi- neering	1949	49.804
1009/23	Friedrich Krupp Essen	Mechanical engi- neering	1949	93.148
1009/24	Friedrich Krupp Essen	Iron and steel production	1949	381.375
1009/25	Friedrich Krupp Essen	Mechanical engi- neering	1949	182.535
1009/27	Friedrich Krupp Essen	Mechanical engi- neering	1949	214.889
1009/28	Friedrich Krupp Essen	Mechanical engi- neering	1949	166.082
1009/29	Friedrich Krupp Essen	Mechanical engi- neering	1949	488.555
1009/30	Friedrich Krupp Essen	Mechanical engi- neering	1949	183.902
1009/31	Friedrich Krupp Essen	Iron and steel production	1949	47.126
1009/32	Friedrich Krupp Essen	Iron and steel production	1949	126.856
1009/33	Friedrich Krupp Essen	Iron and steel production	1949	2.257.174
1009/34	Friedrich Krupp Essen	Iron and steel production	1949	700.821
1009/35	Friedrich Krupp Essen	Armaments	1949	4.599.188
1013/2	Kriegsmarinewerft Wilhelmshaven	Shipbuilding		686.422
1061	Kloeckner Flugmotoren- bau — Hamburg	Aero-engines		142.614
1063	Motorenwerke Varel Varel	Aero-engine repairs		508.263
1065	Pressmetall G. m. b. H., Hamburg-Bahrenfeld	Aero-engine parts		87.467

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1076	Teuto Metallwerke G.m.b.H. Osnabruēck	War engineering plant (ammunition)		RM. (1938) 15.646
1080	Metallwerk Nieder- sachsen (Brinkmann & Mergell) — Hamburg- Harburg	Aircraft parts		784.537
1113	Alsfawerke Alfeld-Leine	Aircraft parts		291.228
1125	H. Walter, K.G., Kiel-Tannenberg	War engineering plant (gas turbines)		936.588
1148	August Engels, K. G., Delligsen Works, Delligsen, near Gandersheim	Part-plant comprising steel making equipment and continuous annealing furnaces		512.921
1153	Vereinigte Leichtmetall- werke G. m. b. H. Laatzen, Hanover	Non-ferrous metal production	1949	3.623.565
1177	C. Albert & Co. Wuppertal-Barmen	Aircraft parts	1949	3.465
1178	Brinker Eisenwerke Werk II—Langenhagen	Aero-engine repairs		823.044
1179	Bernhard Bruns Bad Zwischenau	Aircraft parts, torpedoes and parts for naval craft		25.519
1181	Weser Flugzeugbau Nordenham, Oldenburg	Aircraft repair		186.603
1182	Weser Flugzeugbauwerk Einswarden, Weser Marsch Oldenburg	Aircraft construc- tion		344.525
1184	Weser Flugzeugbau Lenwarder, Oldenburg	Aircraft construc- tion		167.279
1193/1	Kampnagel A. G. Hamburg	Production of conveyors		38.581
1206	Fr. Krupp, Germania Werft A. G. Kiel Gaarden	Shipbuilding		3.466.158
1214	V. A. W. Erftwerk Grevenbroich	Aluminium		1.495.059
1232	Chemische Werke Huels Recklinghausen	War chemicals plant (synthetic rubber)		**

** Value of equipment available to the Agency not yet officially reported.

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1233	Farbenfabriken Bayer A. G. — Leverkusen	War chemicals plant (synthetic rubber)		RM. (1938) **
1235	Deutsche Werke Kiel	Shipbuilding	1949	3.354.015
1262	Curt Heber, Maschinen- & Apparate-Fabrik, Osterode, Harz	Electrical equip- ment for aircraft		151.742
1287	Deutsche Werft Reiher- stieg — Hamburg	Shipbuilding		533.536
1292	Brinker Eisenwerke Works No. 2 Langenhagen	Shells and gun parts		1.512.237
1301	Bochumer Verein, Guss- stahlfabrikation A.G., Erwin Drauz Works Buende	Tools and equip- ment for shell manufacture		96.695
1303	Bochumer Verein, Guss- stahlfabrikation A.G., Jollenbeck Works, Jollenbeck	Machining of shell cases		213.856
1307	Lindener Eisen- und Stahlwerke G.m.b.H., Linden/Hanover	Part plant for pro- duction of shell and tank parts; and part plant comprising Siemens Martin furnaces and two electric arc furnaces		271.771
1319	Friedrich-Alfred Huette (Fr. Krupp) Rheinhaugen	Part plant compri- sing two bar mills with ancillary equip- ment		357.710
1320	Bochumer Verein, Guss- stahlfabrikation A.G., Gusstahlwerk Section Bochum, N. Rh. Westf.	Steel products	1949	3.376.066
1321	Bochumer Verein Hoentrop, N.Rh.Westf.	Steel products	1949	2.256.824
1322	Hoesch A. G. — Dort- mund, N. Rh. Westf.	Iron and steel pro- ducts		1.987.186
1323	Reichswerke A. G., Watenstedt, Hanover	Iron and steel pro- ducts	1949	85.186.033

** Value of equipment available to the Agency not yet officially reported.

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1324 Ø	August Thyssen Huette A. G., Huette Bruck- hausen — Duisburg- Hamborn	Iron and steel pro- ducts	1949	RM. (1938) 38.268.727 ***
1325	Deutsche Edelstahl- werke A.G. — Krefeld	Iron and steel semi- products	1949	412.518 ***
1326	Deutsche Edelstahl- werke A. G., Reinhold Huette — Krefeld-Linn	Steel works and ancillary equipment		173.529
1327	Deutsche Edelstahl- werke Bochum A. G., (Hochfrequenz- und Tiegelstahl) — Bochum	Iron and steel products	1949	1.689.086
1328	Deutsche Edelstahl- werke A.G., Hanover Works, Hanover-Linden	Steel making equip- ment and plate mill		5.818.241
1329	Ruhrstahl A. G. Witten-Annen, N. Rh. Westf.	Iron and steel products	1949	6.042.126
1332	Rheinmetall-Borsig A. G., Rathwork Duesseldorf-Rath	Steel works, mills, foundry and forge		5.366.960
1333	Gebr. Boehler & Co., Edelstahlwerk — Dues- seldorf-Oberkassel	Steel production (electric arc furnace)		88.592
1334	Deutsche Eisenwerke A.G. — Muelheim- Ruhr, N. Rh. Westf.	Iron and steel products	1949	323.849
1335	Bergische Stahlindustrie K. G. — Remscheid, N. Rh. Westf.	Iron and steel products	1949	1.260.416
1337	Dortmund-Hoerde Huettenverein Dort- mund Werk, Dortmund	Forging section of steel plant		3.910.350
1338	Kloeckner Werke A.G., Osnabruceck, N. Rh. Westf.	Iron & steel products		827.071

*** Under the Petersberg Agreement, a part of this plant is to be retained in Germany. The value of the equipment that will remain available has not yet been reported to the Agency.

Ø Parts 9 to 18, 20, 21 and 23 of plant.

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1339	Mannesmann Roehrenwerke — Duisburg-Huckingen, N. Rh. Westf.	Iron & steel products		RM. (1938) 235.723
1341	Ruhrstahl A. G., Heinrichshuette Hattingen-Ruhr, N. Rh. Westf.	Iron & steel products	1949	5.114.765 ***
1342	Kloeckner-Werke A. G., Duesseldorf-Oberbilk, N. Rh. Westf.	Iron & steel products	1949	1.179.818 ***
1343	Mannesmann-Roehrenwerke (Grillo-Funke Dept.) — Gelsenkirchen-Schalke	Iron & steel products	1949	638.213
1344	Aug. Thyssen-Huette A. G. — Duisburg N. Rh. Westf.	Iron & steel products	1949	1.735.409 ***
1376	Vereinigte Wollwarenfabriken G. m. b. H., Hameln-Weser	Production of special nuts for aircraft		64.158
1385	Veltrup Werke A. G., Aachen	Parts for aircraft and armaments		73.093
1422	Honsel-Werke A. G., Meschede	Iron and steel products		296.492
1429	Osnabruecker Kupfer- und Drahtwerke Osnabrubeck	Steel wire drawing plant		18.223
1440	Rudolf Rautenbach Solingen N. Rh. Westf.	Non ferrous metals	1949	987.789
1462	Luigi-Thermi G. m. b. H. Horrem	Silumin		124.574
1465	Ruhrbenzin-Oberhausen G. m. b. H. — Oberhausen-Holten, N. Rh. Westf.	Chemicals	1949	3.550.328
1468	Oxo Gesellschaft m.b.H. Oberhausen-Holten N. Rh. Westf.	Chemicals	1949	1.166.973
1472/1	Stahlwerke Braunschweig G. m. b. H. Watenstedt, Hanover	Shells & guns	1949	2.783.293

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A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocat- ion by I.A.R.A	A. C. A. Residual Value
1472/2	Stahlwerke G. m. b. H. Watenstedt, Bruns- wick	Mechanical engi- neering		RM. (1938) 13.727.491
1477	Veltrupwerke A. G., Barkhausen, Krs. Minden	Mechanical engi- neering		176.916
1478	Wilhelm Schmidding Linden	Mechanical engi- neering		96.858
1483	Dynamit A. G. Forde, near Grevens- brueck	Explosives & ignitors		61.728
1486	Kloeckner Werke A. G., Haspe Werk, Hagen-Haspe	Steel production (electric arc furnaces)		31.354
1488	Dortmund Hoerde Huettenverein A. G., Dortmund	Iron&steel products	1949	1.216.860
1491	Geisweider Eisenwerk A. G. — Geisweid Kr. Siegen, N. Rh. Westf.	Iron&steel products	1949	246.103
1495	Heinrichs & Auffermann A. G., Works No. 1, Wuppertal-Barmen	Mechanical engi- neering		32.783
1496	Ruhrmetallwarenfabrik G.m.b.H. — Neheim- Huesten, Krs. Arns- berg	Fuses and shell parts		256.554
1498	Kieseling & Albrecht, Works No. 2, Solingen-Ohligs	Mechanical engineering		172.761
1580	A. G. fuer Stickstoff- duenger Knapsack	Production of activa- ted carbon, and of acetone from acetic acid		68.088
1531	I. G. Farben Leverkusen	Chemicals	1949	544.543
1534	I. G. Farben Dormagen N. Rh. Westf.	Chemicals	1949	32.051
1535	I. G. Farben Elberfeld	Chemicals	1949	143.504
1536	I. G. Farben Zweckel	Chemicals	1949	1.000.820
1537	Dynamit A. G. — Trois- dorf, N. Rh. Westf.	Chemicals	1949	390.921

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
155S	W. Norres — Dorsten, N. Rh. Westf.	Mechanical engi- neering (electrical industry)	1949	RM. (1938) 157
1566	Henkel & Co., Duesseldorf	Sections of plant for producing soap powder and dis- tilling glycerine		214.148
156S	Dynamit A. G., Schlebusch	Sections of plant for distillation of glycerine and pro- duction of T. N. T.		100.991
1574	Kabelwerk Duisburg Abt. Zuenderfabrik Muelheim	War chemicals plant (fuses and detonators)		15.208
1575	Ver. Zuender- u. Kabel- werke — Lage/Lippe	Warchemicals plant (fuses)		11.003
1594	Deutsche Roehrenwerke A. G., Werk Poensgen Duesseldorf-Lieren- feld, N. Rh. Westf.	Iron and steel pro- duction (pressing plant)		726.151
1596	Mannesmann Roehren- werke Witten Dept. Witten (Ruhr)	Iron&steel products		161.278
1598	Mannesmann Roehren- werk Rath Dept. Duesseldorf-Rath	Iron&steel products		1.819.572
1599	Deutsche Roehrenwerke A. G., Thyssen works Muelheim (Ruhr) N. Rh. Westf.	Iron&steel products		4.959.385
1602	Huettenverein A. G., Dortmund-Hoerde, N. Rh. Westf.	Arc plate mill	1949	2.120.784
1603	Kloeckner Werke A. G., Troisdorf, N. Rh. Westf.	Iron products		381.745
1604	Huettenwerke Sieger- land A.G., Charlotten- huette — Nieder- schleden (Sieg) N. Rh. Westf.	Iron products	1949	677.627 ***
1606	August Thyssen Huette Duisburg-Hochfeld	Blast furnaces and ancillary equipment		1.360.011

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A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1613	Electro Stahlwerk Wald G.m.b.H. — Solingen- Wald, N. Rh. Westf.	Steel production	1949	RM. (1938) 95.611
1614	August Engels G.m.b.H. Velbert, N. Rh. Westf.	Steel production	1949	565.264
1618	Eisenwerk Milspe, Dr. Ing. Karl Weicken, Milspe	Steel making plant and steel foundry		58.199
1620	Breitenbach Ed. G. m. b. H. Wiedenau (Sieg)	Iron and steel production (electric arc furnace)		42.844
1623	Gusstahlwerk Wittmann A. G. — Hagen-Haspe	Three converters with ancillary equipment		17.180
1624	Stahlwerk Mark Wen- gern A. G. Wengern, N. Rh. Westf.	Iron and steel production (electric furnaces)		636.115
1625	Miag G. m. b. H. Brunswick, Hanover	Iron and steel production (converters)		23.669
1627	Eisenwerk Wannheim G. m. b. H. Duisburg-Wannheim	Steel making plant and part of the section for produc- tion of drop forgings		72.604
1628	Deutsche Eisenwerke A. G., Hilden Works Hilden	Steel making plant		53.242
1629	Joachim Baumgart, Stahl- und Tempergies- serei — Tonisheide	Iron and steel production (electric arc furnace)		41.400
1630	Ahlmann Carlshuette K. G. — Rendsburg	Steel making plant		72.400
1632	Hermann Irle G.m.b.H., Deuz/Siegen N. Rh. Westf.	Steel production	1949	10.720
1633	Deutsche Eisenwerke A. G. — Gelsen- kirchen, N. Rh. Westf.	Steel production	1949	97.610
1635	Hoeckhoff & Co., Eisen- giesserei Ofen- und Herdfabrik — Leer (Ostfriesland)	Steel-making plant and steel foundry		19.946

A.C.A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A.C.A. Residual Value
1637	Maschinenfabrik Niedersachsen Hanover (M.N.H.), G.m.b.H. Linden	Tanks and tank parts		RM. (1938) 1.816.558
1641	Norddeutsche Dornier-werke G.m.b.H., No. 1, Luebeck	Aircraft parts		146.395
1648	Ruhrstahl A.G., Witten-Ruhr	Aircraft parts		41.016
1651	Deutsche Edelstahl-werke A.G. — Willich, N. Rh. Westf.	Mills and forge	1949	590.781
1655	Wilhelm Berg — Altena, N. Rh. Westf.	Iron & steel products	1949	75.068
1656	Bochumer Verein fuer Gusstahlfabrikation Stahlindustrie A.G. Works — Bochum	Section of plant for production of drop forgings		330.043
1657	Bremshey & Co. Solingen-Ohligs, N. Rh. Westf.	Iron & steel products	1949	102.540
1659	Einsaler Walzwerke A.G. — Nachrodt, N. Rh. Westf.	Bright drawn bars	1949	63.524
1662	Hiltruper Roehren-werke G.m.b.H., Hiltrup, N. Rh. Westf.	Iron and steel products	1949	28.770
1663	Hoesch A.G. — Hohenlimburg, N. Rh. Westf.	Bright drawn bars	1949	795.189
1667	Kronprinz A.G. fuer Metallindustrie Hilden Works Hilden	Seamless precision tubes		90.655
1670	Reiche & Co., — Lage / Lippe, N. Rh. Westf.	Iron and steel products	1949	59.320
1672	Schmiedag A.G. Grunthalwerk — Hagen	Heavy bomb forgings		3.207.168
1673	Siepmann Werke A.G. Belecke, N. Rh. Westf.	Drop forging section	1949	971.874
1674	Union Robert Temme & Co. — Frendenberg, N. Rh. Westf.	Iron and steel products	1949	70.965
1676	Westfaelische Drahtindustrie — Hamm N. Rh. Westf.	Wire and wire rods		32.814

A.C.A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A.C.A. Residual Value
1677	Wickede Eisen- u. Stahlwerke, G. m. b. H. Wickede/Ruhr	Cold rolled strip		RM. (1938) 95.902
1680	Mannesmann Roehrenwerk Finnentrop Works — Finnentrop, (Sauerland)	Sheet bar mill and ancillary equipment		43.916
1681	Ferd. Wecke Maschinenfabrik — Wuppertal	Pyrotechnics		10.264
1684	W. Arendt Maschinenfabrik — Koeln-Niehl	Pneumatic locomotives, pumps and compressors		97.299
1685	Aufzugbau Losenhausenwerk G. m. b. H. Duesseldorf-Heerdt N. Rh. Westf.	Lifts and elevators	1949	1.703
1686	Autogenwerk Sirius Duesseldorf	Gas welding and cutting equipment		11.245
1687	Victor Bauer Maschinenfabrik Troisdorf, near Koeln	Production of metallurgical equipment		64.939
1690	E. Bennighoven Hilden	Lifts and elevators, equipment for building and road construction		51.584
1694	August Bilstein Altenvoerde	Equipment for building and road construction		8.879
1695	Bishoff-Werke K. G., Recklinghausen	Conveyors and cableways		19.614
1699	A. Budich Gladbeck	Equipment for building and road construction		9.065
1700	Arnold Buerstinghaus Engelskirchen	Small tools production		73.948
1701	J. Christgen Dortmund-Hoerde	Conveyors		141.297
1703	Demag A. G., Wetter/Ruhr	Part of equipment for production of hoists, winches and cranes		98.121
1704	Demag A. G. Duisburg, N.Rh.Westf.	Production of metallurgical equipment	1949	112.097

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1705	Demag G. m. b. H. Duesseldorf-Benrath	Part of equipment for production of metallurgical equipment, and machines for gas and water industries		RM. (1938) 108.464
1711	F. Duerholdt Wuppertal-Barmen	Boilers tank work and pipe lines		14.070
1712	A. Eger Maschinen- fabrik — Werl	Quarrying and pro- cessing equipment		27.276
1713	Eichelberg & Co., G. m. b. H. — Iserlohn	Production of accessories and fittings		78.280
1714	Eisenwerk Hugo Brauns Dortmund	Conveyors		35.992
1716	Erboe, Maschinenbau Erley und Boenninger Hasslinghausen	Conveyors		8.211
1717	Gebr. Fuchs Kaan	Production of accessories and fittings		19.533
1719	F. Geldbach Gelsenkirchen	Production of accessories and fittings		160.620
1720	Gertges & Co. Homberg	Cranes		21.623
1725	H. & G. Grossmann Dortmund	Hoists and winches		68.663
1728	Gutehoffnungshuette Oberhausen A. G. Oberhausen	Production of foundry machinery and equipment, boilers, tank work and pipe lines, hoists and winches		164.299
1731	Hammelrath & Schwen- zer — Duesseldorf	Pumps		39.115
1732	Hugo Hammelsbeck Rodenkirchen	Lifts and elevators		38.736
1735	Heinrichsglueck (K. & L. Beth) — Salchendorf	Forgings; acces- sories and fittings		107.484
1737	H. Herring & Sohn Milspe	Production of foundry machinery and equipment		40.943

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1740	A. & W. Heute K. G. Schwelm N. Rh. Westf.	Mechanical engineering (machine tools for shoe-making industry)	1949	3,614
1743	Indapp J. Velpert Warstein	Production of metallurgical and smelting equipment and industrial furnaces		21.527
1744	E. Ishording Attendorn	Production of accessories and fittings		172.565
1746	Kesselschmiede Amort Kann-Marienborn	Machines for gas and water industries		26.249
1747	H. Klasener Gladbach	Production of accessories and fittings		8.678
1749	Kloeckner Humboldt Deutz — Isselburg	Internal combustion engines, hoists and winches		90.840
1750	Kloeckner Humboldt Deutz — Koeln-Deutz	Internal combustion engines, quarry and processing equipment		165.629
1751	Kloeckner Humboldt Deutz — Koeln-Kalk	Internal combustion engines, quarry and processing equipment		75.116
1753	Ludwig Koch Siegen	Boilers (tank work and pipe lines)		78.050
1758	Koester Hagen	Production of accessories and fittings		47.571
1761	W. Langbein Bochum	Fans, blowers and air circulating systems		6.212
1763	Gustav Lennartz Remscheid-Hasten, N. Rh. Westf.	Manufacture of small tools	1949	121.608
1766	Losenhausenwerk Duesseldorfer Maschinenbau A. G., Duesseldorf	Conveyors and cableways equipment for building and road construction, weighing machines		34.443

A.C.A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A.C.A. Residual Value
1768	Mark, Brennkraftmasch. Wengen-Ruhr	Production of machinery for building and road construction		RM. (1938) 119.928
1769	Elfried Mengel Solingen-Herscheid	Production of small tools		33.833
1773	Pellentz & Co., Welter Hebezeug Koeln-Ehrenfeld	Cranes and weig- hing machines		93.168
1777	Reckling & Hoffmann Eisenfeld	Pneumatic locomo- tives, pumps and compressors		61.836
1778	Reinery Hagen-Kabel	Production of machine tools and small tools		72.019
1779	Rheinische Walz- und Maschinenfabrik Koeln-Ehrenfeld	Production of metallurgical equipment		84.673
1785	Sack & Kiesselbach G. m. b. H. Duesseldorf-Rath	Production of metallurgical equipment	1949	144.668
1789	Schliefenbaum & Stein- metz — Weidenau-Sieg	Machine tools		52.452
1790	P. Schmidt Medebach	Production of accessories and fittings		38.227
1794	H. Seelbach & Co. Dahlbruch/Siegen	Fans, blowers and air circulating systems		29.022
1795	F. Seiffert & Co. Bochum	Boilers, tank work and pipe lines		26.801
1802	Steinmann & Co. Hagen	Production of acces- sories and fittings		41.869
1803	Ludwig Steinmetz A.G. Remscheid	Production of small tools		87.507
1804	Wilhelm Stelle K. G. Bad Godesberg	Production of small tools		78.421
1805	Josef Strack Oberlar, near Troisdorf	Production of acces- sories and fittings		80.551
1806	Stratenwerth G. m. b. H. Maschinenfabrik Duisburg	Cranes, derricks and loading bridges		66.088

A.C.A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I A R.A.	A. C. A. Residual Value
1808	Th. Tillmann Gevelsberg	Conveyors, gears and power trans- mission equipment		RM. (1938) 40.870
1811	Gebr. Vetter Duesseldorf-Benrath	Production of acces- sories and fittings		96.441
1817	Rudolf Wilhelm Essen-Altenessen	Production of foun- dry machinery and equipment, machi- nery for gas and water industries		43.787
1819	R. Willmann, Dampf- kessel & Apparatebau Dortmund	Boilers, tank work and pipe lines		53.075
1824	Havermeier & Sander Hanover	Lifts and elevators, ceramic and porce- lain machinery		114.490
1825	Herforth & Engelke Brunswick	Conveyors		15.235
1826	Koch & Reitz Hanover	Boilers (tank work and pipe lines)		29.426
1827	Julius Meyer Osnabrueck	Boilers (tank work and pipe lines)		24.883
1828	L. Artmann Hamburg	Equipment for buil- ding and road con- struction		77.472
1829	Barthels & Lueders Hamburg	Chemical equip- ment, boilers, tank work and pipelines		29.356
1830	Gebr. Boehling Hamburg	Boilers, tank work and pipelines; orga- nic and inorganic chemical equip- ment for gas and water industries, heat exchanging apparatus		158.993
1833	Junkers G. m. b. H. Hamburg-Wilhelms- burg	Internal combus- tion engines		40.419
1836	Rudolf Otto Meyer Hamburg-Wandsbeck	Fans, blowers, air circulating systems, blowers, tank work and pipelines		5.750
1839	Staunau K. H. Hamburg-Harburg	Winches and hoists		10.043

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
1840	A. Stech Hamburg	Accessories and fittings, small tools		RM. (1938) 39.451
1845	H. Schlueter Neustadt	Production of ce- ment machinery and metal working machine tools		51.763
2019	Aluminium Walzwerke Wutoschingen	Aluminium	1949	6.791.025
2024	Aluminium Werke Rheinfelden G.m.b.H., Rheinfelden	Aluminium production		215.730
2041	I. G. Farben Ludwigshafen	Warchemicals plant (synthetic petrol)	1949	423.913
2042	I. G. Farben Ludwigshafen	Warchemicals plant (synthetic rubber)		11.392.816 ***
2054	Duerener Metallwerke Giulini—Ludwigshafen	Aluminium production		44.655
2060	Hohenzollernsche Huettens-Verwaltung Lauchertal, Hohen- zollern	Iron and steel products	1949	94.236
2062	I. G. Farben Rheinfelden	Caustic soda and chlorine	1949	453.009
2076	I. G. Farben Oppau	Synthetic ammonia	1949	2.727.057
2084	I. G. Farben Ludwigshafen	Oxide of zinc and hydrosulphite of soda		39.555
2097	Siegert und Co. Neuwied	Waxes, soap etc.	1949	46.673
2122	Gewerkstatt Siegtal Enteneuen	Oxygen production		149.156
2147	Kurt Kopperschmidt Blumberg	Paints		22.002
2155	I. G. Farben Oppau	Synthetic butanol	1949	38.905 ***
2156	I. G. Farben Oppau	Synthetic methanol	1949	1.182.784
2158	I. G. Farben Oppau	Isobutanol	1949	748.851

*** Under the Petersberg Agreement, a part of this plant is to be retained in Germany. The value of the equipment that will remain available has not yet been reported to the Agency.

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocat- ion by I.A.R.A.	A. C. A. Residual Value
2167	I. G. Farben Ludwigshafen	Adiponitrile	1949	RM. (1938) 15.040
2177	I. G. Farben Rheinfelden	Hexachlorethane	1949	7.519
2180	Degussa Konstanz	Formaldehyde	1949	16.310
2183	I. G. Farben Ludwigshafen	Miscellaneous chemicals	1949	237.763 ***
2188	I. G. Farben Ludwigshafen	Sulphonic derivates of naphthalene	1949	25.574
2194	I. G. Farben Ludwigshafen	Hydrochloric acid	1949	3.382
2196	I. G. Farben Ludwigshafen	Sodium cyanide	1949	79.041
2198	I. G. Farben Oppau	Aluminium fluoride	1949	78.919 ***
2206	Becker und Co. Bohrenbach, Baden	Maschine-tools	1949	84.434
2223	Hermann Dorflinger Metzingen	Shapers		23.700
2227	Eisenwerke Kaiserslautern	Plumbers' fittings	1949	130.464
2232	Ertner Ludwigshafen	Mechanical engineering	1949	26.351
2244	August Gobel Bad Ems	Milling and screw cutting machines		56.019
2245	Gottlieb Guhring Ebingen	Manufacture of Lugers	1949	122.955
2258	Hengstler Hausach (Bade)	Mechanical engineering	1949	25.441
2282	Koepfer und Soehne Furtwangen, Baden	Machine tools	1949	37.945
2287	Johann Landolt Gosheim	Clock work		30.963
2292	Lytax Werke Freiburg-Breisgau, Baden	Instruments	1949	51.590
2304	Mueller und Christner Metzingen	Tools for machine- tools		36.000

*** Under the Petersberg Agreement, a part of this plant is to be retained in Germany. The value of the equipment that will remain available has not yet been reported to the Agency.

A. C. A. No. of Plant	Name and Location	Nature of Plant	Year of Allocation by I.A.R.A.	A. C. A. Residual Value
2316	Ravensburg Maschinenfabrik — Ravensburg	Machine tools		RM. (1938) 97.113
2325	Schafferer und Co. Freiburg, Breisgau, Baden	Mechanical engineering	1949	23.119
2328	Schlenker und Co. Hornberg	Miscellaneous	1949	36.500
2333	Schubert A. G. Rastatt, Bade	Adding machines	1949	24.073
2337	Bernard Steinel Schwenningen (W)	Machine-tools	1949	50.744
2348	Urgos Uhrentab Haller und Jauch Schwenningen (W)	Clock-making	1949	32.324
2355	Warme Lufttechnik Ludwigshafen	Air conditioning equipment	1949	23.177
2359	Weingarten Weingarten	Presses, various		405.048
2360	Johann Weisser Soehne Gosheim	Clock work		117.330
2363	J. Worner Schwenningen (W)	Machine-tools	1949	38.953
2372	Keller Messwerkzeug-fabrik — Aldingen	Instruments (tools for machine-tools)		54.670
2375	Werkzeug- u. Maschinenbau — Hassloch	Mechanical engi-neering (tools for machine-tools)		32.219
2379	J. Hengstler Aldingen	Instruments		34.090
2380	Kienzle Uhrenfabrik Schwenningen (W)	Clock work		356.854
2381	Mauthe Schwenningen (W)	Clock work		160.658
2382	Franz Morat Eisenbach	Clock manufacture	1949	26.440
2386	Schlenker Grusen Schwenningen (W)	Clock manufacture	1949	17.792
2391	Raschig Ludwigshafen	Part of tar distil- lation works		35.682

**MISCELLANEOUS ASSORTMENTS OF
ENGINEERING MACHINERY**

Note: Since the inventories listed below do not indentify equipment by plants, the values shown are not included in summaries of reparations received by plants appearing elsewhere in this Report. However, the values shown here *are* included in summaries of the total residual value of equipment received as reparation as of 31 December 1949.

A. C. A. Inventory No.	Year of Allocat- tion by I.A.R.A.	A. C. A. Residual Value
4000	1949	2.038
4001	1949	102.879
4002	1949	1.071.701
4003	1949	394.142
4004	1949	33.441
4005	1949	37.677
4006	1949	25.122
4007	1949	32.358
4008	1949	18.376
4009	1949	29.794
4010	1949	145.329
4011	1949	18.910
4012		198.000
4013		4.187.820
4014	1949	51.389
4015	1949	9.191
4016		608.236
4017		13.253
4018		1.241.212
4019		19.931
4020		9.809
4021		92.769
4022		701

A. C. A- Inventory No.		Year of Allocation by I.A.R.A.	A. C. A. Residual Value
4100			RM. (1938) 44.025
4101			6.915
4102			37.285
4103			5.770
4104			44.087
4105			31.220
4106			3.759
4107			13.380
4108			189.574
4109			5.019
4110			19.563
4111			2.583
4112			6.929
4113			50.404
4114			2.987
4115			526
4116			14.848
4117			27.442
4118			25.574
4119			627

ANNEXE V

A. SUMMARY OF VALUES OF INDUSTRIAL EQUIPMENT ALLOCATED BY THE AGENCY 1946—1949

Classified by Recipient Country and Industrial Group from Which the Equipment Was Taken

- Notes: (1) The values shown in this Annex are those debited to Category B accounts in RM (1938), as at 31 December 1949.
- (2) This table does not include unilateral deliveries, nor items allocated under the British and French Emergency Delivery Schemes. The amounts debited to Member Governments under these headings appear in Annex XV.
- (3) Pfennigs were omitted in the categories of industries, but included in the totals.
-

ALBANIA

Industrial Group from which Equipment was taken	Value Debited to Category B Account (RM. 1938 Pfennigs omitted)
Iron and Steel Production	239.740
Non-Ferrous Metals Production	108.074
Electric Power Stations	3.823
Shipbuilding	70.503
Chemicals	24.656
Precision Instruments (includes equipment from watch-making plants)	8.502
Mechanical Engineering:	
Machine Tools	321.121
Other Products	309.893
War Plants:	
Chemicals	1.666.262
Engineering and Armaments	514.108
Aircraft: Frames	142.259
Aircraft Engines	87.801
Miscellaneous	81.657
Total	<u>3.578.404</u>

AUSTRALIA

Industrial Group from which Equipment was taken	Value Debited to Category B Account (RM. 1938 Pfennigs omitted)
Iron and Steel Production	181.713
Non-Ferrous Metals Production	111.942
Electric Power Stations	327.761
Shipbuilding	21.040
Precision Instruments (including equipment from watch-making plants)	240.589
Mechanical Engineering:	
Machine Tools	8.185
Anti-Friction Bearings	445.430
Other Products	2,346.072
War Plants:	
Chemicals	1,198.175
Engineering and Armaments	1,488.049
Aircraft: Frames	228.737
Aircraft: Engines	<u>1,096.344</u>
	<u>Total 7,694.041</u>

BELGIUM

Iron and Steel Production	10,518,937
Non-Ferrous Metals Production	29,377
Electric Power Stations	286,140
Shipbuilding	222,362
Chemicals	124,838
Precision Instruments (including equipment from watch making plants)	95,267
Mechanical Engineering:	
Machine Tools	968,717
Anti-Friction Bearings	205,925
Other Products	3,294,829
War Plants:	
Chemicals	2,326,831
Engineering and Armaments	2,824,181
Aircraft: Frames	1,225,789
Aircraft: Engines	1,240,146
Miscellaneous	127,826
	<u>Total 23,490,667</u>

CZECHOSLOVAKIA

Industrial Group from which Equipment was taken	Value Debited to Category B Account (RM. 1938 Pfennigs omitted)
Iron and Steel Production	1.462.548
Non-Ferrous Metals Production	13.572
Shipbuilding	9.495
Chemicals	2.838.465
Precision Instruments	224.334
(includes equipment from watch-making plants)	
Mechanical Engineering:	
Machine Tools	2.914.454
Anti-Friction Bearings	1.838.447
Other Products	4.567.124
War Plants:	
Chemicals	9.384.139
Engineering and Armaments	3.418.573
Aircraft: Frames	655.928
Aircraft: Engines	3.634.503
	<u>Total</u> <u>30.961.586</u>

DENMARK

Iron an Steel Production	87.470
Non-Ferrous Metals Production	19.848
Electric Power Stations	7.757
Shipbuilding	103.846
Chemicals	300
Precision Instruments	10.800
(includes equipment from watch-making plants)	
Mechanical Engineering:	
Machine Tools	7.871
Anti-Friction Bearings	206
Other Products	192.188
War plants:	
Chemicals	139.061
Engineering and Armaments	407.765
Aircraft: Frames	105.342
Aircraft: Engines	371.527
Miscellaneous	986
	<u>Total</u> <u>1.454.469</u>

EGYPT

Industrial Group from which
Equipment was taken

Value Debited to Category B
Account
(RM. 1938 Pfennigs omitted)

War Plants:

Aircraft: Frames

31.937

FRANCE

Iron and Steel Production	18,650,549
Non-Ferrous Metals Production	4,023,576
Electric Power Stations	4,106,363
Shipbuilding	706,263
Chemicals	3,753,579
Precision Instruments (includes equipment from watch-making plants)	752,364
Mechanical Engineering:	
Machine Tools	109,130
Anti-Friction Bearings	3,451,651
Other Products	9,021,645
War Plants:	
Chemicals	29,338,841
Engineering and Armaments	11,303,211
Aircraft: Frames	2,109,149
Aircraft: Engines	11,791,161
Miscellaneous	<u>21,911</u>
Total	<u>99,139,397</u>

GREECE

Iron and Steel Production	6,902,613
Non-Ferrous Metals Production	36,310
Electric Power Stations	8,479
Shipbuilding	182,742
Chemicals	53,133
Precision Instruments (includes equipment from watch-making plants)	303,957
Mechanical Engineering:	
Machine Tools	182,974
Other Products	2,866,995
War Plants:	
Chemicals	7,812,905
Engineering and Armaments	3,815,484
Aircraft: Frames	1,599,260
Aircraft: Engines	1,644,127
Miscellaneous	<u>162,028</u>
Total	<u>25,071,010</u>

INDIA (†)

Industrial Group from which Equipment was taken	Value Debited to Category B Account (RM. 1938 Pfennigs omitted)
Iron and Steel Production	271.970
Non-Ferrous Metals Production	44.835
Shipbuilding	7.703
Chemicals	474.738
Precision Instruments	72.332
(includes equipment from watch-making plants)	
Mechanical Engineering:	
Machine Tools	833.023
Anti-Friction Bearings	287
Other Products	1,928.016
War plants:	
Chemicals	115.741
Engineering and Armaments	8,262.997
Aircraft: Frames	960.249
Aircraft: Engines	588.343
Total	<u>18,059.732</u> (†)

PAKISTAN-INDIA (†)

Shipbuilding	1,402.535
Mechanical Engineering:	
Machine Tools	691.430
Anti-Friction Bearings	485.621
Other Products	674.850
War Plants:	
Chemicals	80.691
Engineering and Armaments	185.936
Aircraft: Frames	1,036.646
Aircraft: Engines	113.479
Total	<u>4,671.190</u> (†)

(†) Since the distribution of certain equipment between India and Pakistan is not known to the Agency, that equipment is shown here under the heading "India-Pakistan". To the total shown here for India, therefore, should be added a portion of the total included under "India-Pakistan".

LUXEMBURG

Industrial Group from which Equipment was taken	Value Debited to Category B Account (RM. 1938 Pfennigs omitted)
Iron and Steel Production	50.812
Non-Ferrous Metals Production	70.163
Electric Power Stations	9.106
Shipbuilding	38.604
Mechanical Engineering:	
Machine Tools	214.164
Anti-Friction Bearings	77.058
Other Products	572.945
War Plants:	
Chemicals	43.481
Engineering and Armaments	416.078
Aircraft: Frames	120.867
Aircraft: Engines	292.157
Miscellaneous	4.354
Total	<u>1.909.790</u>

THE NETHERLANDS

Iron and Steel Production	277.998
Non-Ferrous Metals Production	30.267
Shipbuilding	356.398
Chemicals	507.841
Precision Instruments	636.840
(includes equipment from watch-making plants)	
Mechanical Engineering:	
Anti-Friction Bearings	624.440
Other Products	1.399.793
War Plants:	
Chemicals	6.268.852
Engineering and Armaments	1.771.436
Aircraft: Frames	1.155.962
Aircraft: Engines	3.887.165
Total	<u>16.916.994</u>

NEW ZEALAND

Shipbulding	150.532
Mechanical Engineering:	
Other Products	87.321
War Plants:	
Chemicals	480.379
Engineering and Armaments	534.434
Aircraft: Frames	866.594
Aircraft: Engines	191.355
Miscellaneous	7.300
Total	<u>2.317.916</u>

NORWAY

Industrial Group from which Equipment was taken	Value Debited to Category B Account (RM. 1938 Pfennigs omitted)
Iron and Steel Production	1.667.952
Non-Ferrous Metals Production	30.941
Shipbuilding	84.093
Chemicals	3.574
Precision Instruments	18.644
(includes equipment from watch-making plants)	
Mechanical Engineering:	
Machine Tools	15.032
Other Products	931.583
War Plants:	
Chemicals	295.276
Engineering and Armaments	464.760
Aircraft: Frames	410.868
Aircraft: Engines	777.146
Total	<u>4.699.872</u>

PAKISTAN (†)

Iron and Steel	22.540
Non-Ferrous Metals Production	66.227
Precision Instruments	483.069
(includes equipment from watch-making plants)	
Mechanical Engineering:	
Other Products	928.341
War Plants:	
Engineering and armaments	1.795.163
Aircraft: Engines	46.654
Miscellaneous	29.948
Total	<u>3.371.944</u> (†)

UNITED KINGDOM

Iron and Steel Production	47.048.821
Non-Ferrous Metals Production	6.511.967
Shipbuilding	494.228
Chemicals	2.379.824
Precision Instruments	752.118
(includes equipment from watch-making plants)	
Mechanical Engineering:	
Machine Tools	2.815.117
Anti-Friction Bearings	128.246
Other Products	3.784.294
War Plants:	
Chemicals	15.376.779
Engineering and Armaments	5.572.192
Aircraft: Frames	83.471
Aircraft: Engines	616.761
Miscellaneous	4.300
Total	<u>85 568.122</u>

(†) Since the distribution of certain equipment between India and Pakistan is not known to the Agency, that equipment is shown here under the heading "India-Pakistan". To the total shown here for India, therefore, should be added a portion of the total included under "India-Pakistan".

UNITED STATES

Industrial Group from which Equipment was taken	Value Debited to Category B Account (RM. 1938 Pfennigs omitted)
Iron and Steel Production	1.887.848
Non-Ferrous Metals Production	7.641.030
Shipbuilding	878
Precision Instruments (includes equipment from watch-making plants)	27.231
War Plants: Chemicals	8.615.566
Aircraft: Engines	<u>128.172</u>
Total	<u><u>18.300.725</u></u>

YUGOSLAVIA

Iron and Steel Production	12.410.170
Non-Ferrous Metals Production	3.708.845
Electric Power Stations	230.305
Shipbuilding	225.719
Chemicals	1.453.367
Precision Instruments (includes equipment from watch-making plants)	420.281
Mechanical Engineering: Machine Tools	3.165.416
Anti-Friction Bearings	333.528
Other Products	15.734.020
War Plants: Chemicals	18.453.238
Engineering and Armaments	17.393.377
Aircraft: Frames	629.930
Aircraft: Engines	13.643.214
Miscellaneous	<u>50.467</u>
Total	<u><u>87.851.332</u></u>

ANNEX V

B. SUMMARY OF VALUES OF INDUSTRIAL EQUIPMENT ALLOCATED BY THE AGENCY 1946 — 1949

Classified by Industrial Group from which the Equipment was taken

Note: Pfennigs were omitted in the categories of industries, but included in the totals.

Industrial Group from which Equipment was taken	Value Debited under Category B
Iron and Steel Production	101.681.684
Non-Ferrous Metals Production	22.445.975
Electric Power Stations	4.979.735
Shipbuilding	4.076.945
Chemicals	11.614.311
Precision Instruments	4.045.783
(includes equipment from watch-making plants)	
Mechanical Engineering:	
Machine Tools	11.746.635
Anti-Friction Bearings	7.790.843
Other Products	48.639.913
War Plants:	
Chemicals	101.095.723
Engineering and armaments	60.167.750
Aircraft: Frames	11.362.995
Aircraft: Engines	40.150.062
Miscellaneous	<u>490.777</u>
Total	<u><u>430.089.136</u></u>

ANNEX VI

FIRST ALLOCATION PROGRAMME ALLOCATIONS OF RUSSIAN RECIPROCAL DELIVERIES AS AT 31 DECEMBER, 1949

COUNTRY	WHEAT		TIMBER		PLT PROPS		PETROL		DIESEL OIL		Quantity	Value
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
BELGIUM	694	154,484	m ³	RM	m ³	RM	M.Tons	RM	M.Tons	RM	—	—
EGYPT	—	—	54,75	3,073	—	—	—	—	604,363	3,130	591,504	—
UNITED STATES . . .	1,704	379,310	—	—	—	—	—	—	—	—	—	—
FRANCE	4,058	903,241	—	—	—	—	1,383	—	—	—	—	—
UNITED KINGDOM . . .	1,683	374,621	13,397,26	597,536	15,435,54	445,700	899	392,801	1,332	251,742	—	—
GREECE	—	—	5,511,36	289,855	—	—	—	—	—	—	—	—
INDIA	513	114,193	—	—	—	—	—	—	—	—	—	—
NETHERLANDS	501	111,522	3,580,38	178,941	—	—	—	—	—	—	—	—
CZECHOSLOVAKIA . . .	770	171,402	—	—	—	—	—	—	708	309,248	525	99,349
YUGOSLAVIA	—	—	—	—	—	—	—	—	—	—	—	—
TOTALS	9,923	2,208,773	23,143,75	1,064,405	15,435,54	445,700	2,990	1,306,412	4,987	942,595		

SECOND ALLOCATION PROGRAMME

COUNTRY	WHEAT		TIMBER		PLT PROPS		HARD PARAFFIN		DIESEL OIL		Quantity	Value
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
ALBANIA	—	—	m ³	RM	m ³	RM	Tons	RM	Tons	RM	—	—
AUSTRALIA	—	—	2,154	107,704	—	—	21	7,277	—	—	—	—
BELGIUM	—	—	1,788	89,402	—	—	—	—	—	—	—	—
EGYPT	24	4,892	—	—	—	—	—	—	—	—	1,642	328,415
UNITED STATES . . .	3,443	729,946	—	—	—	—	—	—	—	—	—	—
FRANCE	586	124,404	—	—	2,300	63,250	—	—	8,200	1,475,720	9,650	1,929,939
UNITED KINGDOM . . .	3,444	729,947	8,806	440,292	—	—	—	—	—	8,708	1,741,646	—
GREECE	—	—	6,868	343,401	—	—	—	—	—	—	—	—
INDIA	812	172,208	—	—	—	—	—	—	200	36,203	—	—
NETHERLANDS	954	202,540	4,051	202,540	—	—	—	—	—	—	—	—
CZECHOSLOVAKIA . . .	737	166,063	1,333	66,061	—	—	256	89,402	—	—	—	—
YUGOSLAVIA	—	—	—	—	—	—	723	253,321	1,600	288,077	—	—
TOTALS	10,000	2,120,000	25,000	1,250,000	2,300	63,250	1,000	350,000	10,000	1,800,000	20,000	4,000,000

COUNTRY	WHEAT		TIMBER		PLT PROPS		HARD PARAFFIN		DIESEL OIL		Quantity	Value
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
ALBANIA	—	—	m ³	RM	m ³	RM	Tons	RM	Tons	RM	—	—
AUSTRALIA	—	—	2,154	107,704	—	—	21	7,277	—	—	—	—
BELGIUM	—	—	1,788	89,402	—	—	—	—	—	—	—	—
EGYPT	24	4,892	—	—	—	—	—	—	—	—	1,642	328,415
UNITED STATES . . .	3,443	729,946	—	—	—	—	—	—	—	—	—	—
FRANCE	586	124,404	—	—	2,300	63,250	—	—	8,200	1,475,720	9,650	1,929,939
UNITED KINGDOM . . .	3,444	729,947	8,806	440,292	—	—	—	—	—	8,708	1,741,646	—
GREECE	—	—	6,868	343,401	—	—	—	—	—	—	—	—
INDIA	812	172,208	—	—	—	—	—	—	200	36,203	—	—
PAKISTAN	—	—	—	—	—	—	—	—	—	—	—	—
NETHERLANDS	954	202,540	4,051	202,540	—	—	—	—	200	36,203	—	—
CZECHOSLOVAKIA . . .	737	166,063	1,333	66,061	—	—	256	89,402	—	—	—	—
YUGOSLAVIA	—	—	—	—	—	—	723	253,321	1,600	288,077	—	—
TOTALS	10,000	2,120,000	25,000	1,250,000	2,300	63,250	1,000	350,000	10,000	1,800,000	20,000	4,000,000

COUNTRY	WHEAT		TIMBER		PLT PROPS		HARD PARAFFIN		DIESEL OIL		Quantity	Value
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
ALBANIA	—	—	m ³	RM	m ³	RM	Tons	RM	Tons	RM	—	—
AUSTRALIA	—	—	2,154	107,704	—	—	21	7,277	—	—	—	—
BELGIUM	—	—	1,788	89,402	—	—	—	—	—	—	—	—
EGYPT	24	4,892	—	—	—	—	—	—	—	—	1,642	328,415
UNITED STATES . . .	3,443	729,946	—	—	—	—	—	—	—	—	—	—
FRANCE	586	124,404	—	—	2,300	63,250	—	—	8,200	1,475,720	9,650	1,929,939
UNITED KINGDOM . . .	3,444	729,947	8,806	440,292	—	—	—	—	—	—	8,708	1,741,646
GREECE	—	—	6,868	343,401	—	—	—	—	—	—	—	—
INDIA	812	172,208	—	—	—	—	—	—	200	36,203	—	—
PAKISTAN	—	—	—	—	—	—	—	—	—	—	—	—
NETHERLANDS	954	202,540	4,051	202,540	—	—	—	—	200	36,203	—	—
CZECHOSLOVAKIA . . .	737	166,063	1,333	66,061	—	—	256	89,402	—	—	—	—
YUGOSLAVIA	—	—	—	—	—	—	723	253,321	1,600	288,077	—	—
TOTALS	10,000	2,120,000	25,000	1,250,000	2,300	63,250	1,000	350,000	10,000	1,800,000	20,000	4,000,000

Note: Deliveries under the first allocation programme have been completed. No deliveries have been made under the second allocation programme.

ANNEX VII

REVISED FINAL ALLOCATION OF GERMAN MERCHANT SHIPPING AND OF SHIPPING DISPOSED OF AS SCRAP 31 DECEMBER 1949

Countries	% of total Allied merchant shipping losses	Allocated as ships			Allocated as scrap	
		Tonnage allocated	% of total tonnage	Value in R. M's 1938	Tonnage	Value in R. M's 1938
Albania	—	—	—	—	1.756	80.015
Australia	0,19	1.279	0,18	377.993	—	—
Belgium	1,33	11.195	1,60	2.323.957	2.720	38.166
Canada	1,42	10.797	1,54	3.682.934	—	—
Denmark	2,19	20.727	2,95	3.000.915	5.918	8.500
Egypt	0,23	1.923	0,27	692.987	—	—
United- States (i)	17,82	44.779	6,38	11.640.787	—	—
France	7,68	60.162	8,57	25.447.335	—	—
United Kingdom	46,04	349.968	49,86	88.404.184	23.780	229.192
Greece	4,99	47.329	6,74	6.889.274	—	—
India (ii)	0,24	—	—	—	—	—
Luxemburg	—	—	—	—	—	—
Norway	10,14	77.854	11,09	17.041.188	7.826	141.506
New Zealand	0,14	1.418	0,20	650.988	—	—
Pakistan	—	—	—	—	—	—
Netherlands	6,59	48.077	6,85	9.214.632	5.185	59.998
Czechoslo- vakia	—	—	—	—	—	—
Union of South Africa (iii)	0,14	—	—	—	—	—
Yugoslavia	0,87	26.482	3,77	2.757.961	6.250	255.512
Totals	100,00	701.990	100,00	172.075.135	53.435	812.889

NOTES

- (i) voluntarily renounced some 65% of her share
- (ii) rejected the proposed allocation
- (iii) voluntarily renounced the whole of her share

ANNEX VIII

RULES OF ACCOUNTING FOR GERMAN EXTERNAL ASSETS

Approved by the Assembly on 21 November, 1947

Part 1

1. The term "Germany" means the territory within the boundaries of that country as of 31 December, 1937.
2. The term "assets" means all property, whether movable or immovable, and any right, title or interest in property. (See paragraph 9 of the Report of the Committee on German External Assets, dated 18 November, 1947).
3. The term "seizure" (or "seized") means placing under custody, sequestration, blocking, vesting or confiscation because of a German interest.
4. The seizure of assets by a Signatory Government shall not be deemed to have relieved the Signatory Government from the obligation to account for such assets, or in the case of liquidation or sale of seized assets, for the proceeds from such assets.

Part 2

5. Subject to the other Parts of these Rules, and in conformity with Article 1 F (Part I) of the Paris Reparation Agreement, each Signatory Government shall be charged with the estimated value of the assets, referred to in A and B below, which were within its jurisdiction on the 24 January, 1946, and any income from such assets derived by the Signatory Government before or after that date. Each Signatory Government's estimate shall be made on the following basis:

- (1) Assets which have not been sold or liquidated as of the reporting date shall be estimated on the basis of prices current in 1948 at the time the estimate for that year was established. Any income from such assets shall be accounted for.
- (2) If assets have been sold or liquidated by the Signatory Government before or after the 24 January, 1946, but prior to the reporting date, the Signatory Government shall report the proceeds from the sale or liquidation of such assets. Any income from such assets prior to their sale or liquidation shall be accounted for.
- (3) Assets seized in the form of monies or bank accounts shall be accounted for together with any income from such assets until invested or reinvested or paid into the public treasury.
- (4) When proceeds from assets sold or liquidated or assets in the form of monies or bank accounts or any income are invested or paid into the public treasury, such proceeds, assets and income shall only be accounted for on the basis of the amount invested or paid into the public treasury as of the date of such investment or payment.

A. Assets which on 24 January, 1946 were owned (or but for their seizure would have been owned) directly or indirectly by:

1. The German State, Government, municipal and other public authorities and organisations, and the German Nazi Party.
2. Any individual who had German nationality on 24 January, 1946 and who on that date was physically inside Germany or had his residence in Germany.
3. Any individual who, as a German national, has been compulsorily repatriated to Germany after 24 January, 1946, or is intended to be compulsorily repatriated to Germany.
4. Any body of persons, corporate or unincorporate, organised in and under the laws of Germany.

B. Assets other than those mentioned in A, which as of the reporting date (i) have been seized and (ii) have not been released and (iii) are not intended to be released in cases in which:

1. Such assets were on 24 January, 1946 owned (or but for their seizure would have been owned) directly or indirectly by:—
 - a) any individual who had German nationality at any time between the date on which the country of the Signatory Government was occupied or annexed by or entered into war against Germany, and 24 January, 1946.
 - b) any body of persons, whether corporate or unincorporate, in which there has been a German interest at any time between the date on which the country of the Signatory Government was occupied or annexed by or entered into war against Germany and 24 January 1946.
2. Such assets were owned (or but for their seizure would have been owned) directly or indirectly by any individual of German nationality who died before 24 January, 1946.

Part 3

6. A Signatory Government shall be entitled to exclude from the charge to be made under Part 2, assets within the following categories if such assets (i) have not been seized, or (ii) have been released, or (iii) will be released.

- A. Patents disposed of or dealt with on the basis of the London Patent Accord of 27 July, 1946, and trademarks, designs and literary and artistic property; provided however that any income or proceeds from all such assets shall be included.
- B. Household goods and limited personal effects which individuals repatriated to Germany are permitted to take with them, and maintenance allowances necessary for the support of such individuals, pending repatriation.
- C. Household goods and limited personal effects of diplomatic and consular officials of the German Governments.

- D. Assets belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes.
- E. Assets of any individual of German nationality who voluntarily entered Germany at the invitation of, and to assist any of the Allied Governments, and whose case merits favourable consideration.
- F. Assets of any individual of German nationality:
 - (1) who was deprived of liberty pursuant to any German law, decree or regulation discriminating against religious or racial groups or other organisations, and
 - (2) who did not enjoy full rights of German citizenship at any time between 1 September, 1939 and the abrogation of such law, decree or regulation, and
 - (3) who has left Germany (or if he has not left Germany at the final accounting under the Paris Agreement, it is proved that he intends to leave Germany within a reasonable time thereafter) to establish his permanent residence outside Germany and
 - (4) who it is proved did not act against the Allied cause during the war, and
 - (5) whose case merits favourable consideration.
- G. Assets of any individual of German nationality:
 - (1) who is also a national, or was formerly a national of a I.A.R.A. country, and
 - (2) who was formerly a resident of that country, and
 - (3) who has left Germany (or if he has not left Germany at the final accounting under the Paris Agreement, it is proved that he intends to leave Germany within a reasonable time thereafter) to establish his permanent residence in that I. A. R. A. country, and
 - (4) who it is proved was loyal to the Allied cause during the war, and
 - (5) whose case merits favourable consideration,
- H. Assets which would provide little or no net value because of the costs involved in their seizure, administration or sale.
- I. Assets in a Signatory country owned by any body of persons organised under the laws of another country, other than Germany, in which body the German interest is not a controlling interest.
- J. Assets in a Signatory country owned by any body of persons, organised under the laws of Germany, in which body there are non-German interests, to the extent that such assets proportionate to the non-German interests in the body are released to such non-German interests.
- K. Any other direct or indirect non-German interest in assets which interest has not been seized or which has been or will be released to such non-German interest.

Part 4

7. A Signatory Government shall exclude, from the charge to be made under Part 2, any assets within its jurisdiction which an individual on the 24 January, 1946 directly or indirectly owned (or, but for the placing under custody, sequestration, blocking, vesting or confiscation of the assets, he would have owned) if the individual, at the time of the occupation or annexation by Germany of territory of the country in which he was residing or at the time at which that country entered into war, was:

- a) a national of that country, and
- b) not a national of Germany, and
- c) did not acquire German nationality by marriage, provided that this provision shall not affect the applicability of Rule 6 G.

Part 5

8. Subject to Rule 9,

A. A Signatory Government shall exclude, from the charge to be made under Part 2, assets within its jurisdiction on 24 January 1946, which, because of an agreement or arrangement with another Government to avoid or resolve a conflict of jurisdiction (i) have not been seized and will not be seized or have been released or will be released or (ii) have been used or will be used to indemnify non-enemy interests.

B. A Signatory Government may deduct, from the charge to be made under Part 2, any reimbursement which that Government has paid or will pay in connection with the non-seizure or release of assets referred to in paragraph A.

C. A Signatory Government shall include, in the charge to be made under Part 2, any reimbursement which that Government has received, or will receive in connection with the non-seizure or release of assets referred to in paragraph A.

9. Where adjustments referred to in Rule 8 concern assets which have been seized and not yet released but will be released, and

A. The Governments directly concerned are Signatory Governments, such adjustments may not be made by a Signatory Government unless the following conditions apply:

1. The Signatory Government has informed the Secretary General and any other Signatory Government directly concerned.
2. The Signatory Governments directly concerned have agreed as to the deductions and inclusions to be made in the accounts of those Signatory Governments.

B. Where one of the Governments directly concerned is not a Signatory Government, such adjustments may not be made by the Signatory Government, without the prior approval of the Secretary General of I.A.R.A. The decision of the Secretary General shall be subject to review by the Assembly within three months.

Part 6

10. For the purpose of this Part 6 the term "material date" means the date of invasion or annexation, whichever was the earlier, by Germany of territory of the Signatory Government.

11. A Signatory Government shall be entitled to exclude, from the charge to be made under Part 2, assets which were acquired after the material date by the German State or Government or by any individual or body described in Rule 5.

12. A Signatory Government shall, however, be charged for:

- a) assets acquired after the material date by inheritance, and
- b) except in cases described in (c) and (d), any consideration paid for any assets acquired after the material date, and
- c) any assets which were brought into or created within the jurisdiction of the Signatory Government after the material date by the German State or Government or by any individual or body described in Rule 5, and
- d) any assets acquired after the material date from a person who at that time was not a resident of a country which had been invaded or annexed by Germany.

13. A Signatory Government shall be entitled to exclude, from the charge to be made under Rule 12 (b), the consideration referred to in Rule 12 (b) to the extent that such consideration was paid:

- a) in Reichsmarks, or
- b) in currency issued in the territory of the Signatory Government and obtained after the material date for occupation costs or for Reichsmarks, or
- c) in any other counter-value which was obtained after the material date directly or indirectly either in exchange for (a) or (b) or for no consideration except where acquired by inheritance.

14. A Signatory Government shall be entitled to exclude, from the charge to be made under Rule 12 (c), assets referred to in Rule 12 (c) to the extent that such assets were acquired in an occupied or annexed country:

- a) for no consideration, or
- b) for Reichsmarks, or
- c) for currency issued in the territory of that occupied or annexed country and obtained after the material date for occupation costs or for Reichsmarks, or
- d) for any other counter-value which was obtained after the material date directly or indirectly either in exchange for (b) or (c) or for no consideration except where acquired by inheritance.

15. A Signatory Government shall be entitled to exclude, from the charge to be made under Rule 12 (d), assets referred to in Rule 12 (d) to the extent that such assets were acquired:

- a) for currency issued in the territory of an occupied or annexed country and obtained after the material date for occupation costs or for Reichsmarks, or
- b) for any other counter-value which was obtained after the material date directly or indirectly either in exchange for (a) or for no consideration except where acquired by inheritance.

Part 7

16. A Signatory Government may deduct from the value of the assets to be charged any sum which it has paid or intends to pay in the following categories:

- A. Taxes accrued before the reporting date with respect to assets to be reported.
- B. Liens.
- C. Expenses of administration incurred before the reporting date with respect to assets to be reported.
- D. In rem charges against specific items.
- E. Unsecured legitimate contract claims against the German former owner of assets.

17. With respect to items "A", "B", "D" and "E" of Rule 16, a Signatory Government may deduct only to the extent of the value of the particular German owners specific assets which are to be charged.

18. In addition, with respect to item "E" of Rule 16, unsecured contract claims may be deducted only (a) if paid or to be paid in accordance with the laws or administrative rules of the Signatory Government in force on the reporting date and (b) in respect of which all of the three following provisions apply, namely, that the claims are:

1. Those of nationals or bodies of persons organised under the laws of the country within whose jurisdiction the assets are situated, or the Government of that country, or to individuals who are and were resident in that country as of its entry into war.
2. Filed with the Signatory Government before 24 January, 1949, or filed within two years after the vesting, sequestration or confiscation of the German assets involved.
3. In respect of contracts with the German former owner of the assets in the Signatory country, entered into before 9 May, 1945, by or on behalf of an individual who was resident in, or by or on behalf of a body of persons which was organised under the laws of, the Signatory country, at the time when the contract was entered into.

Part 8

19. A Signatory Government shall be entitled to exclude, from the charge to be made under part 2, 50% of the net value of:

- A. Assets which on the reporting date are under judicial proceedings the outcome of which will determine whether the assets are subject to Part 2;
- B. Assets which the Signatory Government and the Secretary General of I.A.R.A. agree:
 1. involve special circumstances, and
 2. may reasonably be expected to come under judicial proceedings the outcome of which would determine whether the assets are subject to part 2. The decision of the Secretary General shall be subject to review by the Assembly within three months.

ANNEX IX

THE WASHINGTON ACCORD WITH SWITZERLAND ON EXTERNAL ASSETS

Text of the letter exchanged by the Swiss and the Allied Delegations

25th May, 1946

(Note: the procedural annex mentioned in Section III has been omitted)

In the course of the discussions which have taken place, the Allied Governments, fully recognising Swiss sovereignty, claimed title to German property in Switzerland by reason of the capitulation of Germany and the exercise of supreme authority within Germany, and sought the return from Switzerland of gold stated to have been wrongfully taken by Germany from the occupied countries during the war and transferred to Switzerland.

The Swiss Government stated it was unable to recognize the legal basis of these claims but that it desired to contribute its share to the pacification and reconstruction of Europe, including the sending of supplies to devastated areas.

In these circumstances we have arrived at the Accord which follows:

I.

1. The Swiss Compensation Office shall pursue and complete its investigations of property of every description in Switzerland owned or controlled by Germans in Germany and it shall liquidate such property. This provision shall apply equally to the property of such other persons of German nationality as are to be repatriated.

2. The Germans affected by this measure shall be indemnified in German money for the property which has been liquidated in Switzerland pursuant to this Accord. In each such case an identical rate of exchange shall be applied.

3. Switzerland will, out of funds available to it in Germany, furnish one half of the German money necessary for this purpose.

4. The Swiss Compensation Office shall exercise the functions entrusted to it in close cooperation with a Joint Commission which shall be composed of a representative of each of the three Allied Governments, and a representative of the Swiss Government. The Joint Commission, as all interested private persons, shall have a right of appeal against the decision of the Swiss Compensation Office.

5. The Swiss Government will bear the cost of the administration and liquidation of German property.

II.

1. Of the proceeds of the liquidation of property in Switzerland of Germans in Germany, 50 percent shall accrue to the Swiss Government and 50 percent shall be placed at the disposal of the Allies for the rehabilitation of countries devastated or depleted by the war, including the sending of supplies to famine stricken people.

2. The Government of Switzerland undertakes to place at the disposal of the three Allied Governments the amount of 250,000,000 Swiss francs payable on demand in gold in New York. The Allied Governments declare on their part that, in accepting this amount, they waive in their name and in the name of their banks of issue all claims against the Government of Switzerland and the Swiss National Bank in connection with gold acquired during the war from Germany by Switzerland. All questions relative to such gold will thus be regulated.

III.

The procedures relating to the application of the present Accord are set out in the Annex.

IV.

1. The Government of the United States will unblock Swiss assets in the United States. The necessary procedure will be determined without delay.

2. The Allies will discontinue without delay the "black lists" insofar as they concern Switzerland.

V.

The undersigned representative of the Swiss Government declares on his part that he is acting also on behalf of the Principality of Liechtenstein.

VI

In case differences of opinion arise with regard to the application or interpretation of this Accord which cannot be settled in any other way, recourse shall be had to arbitration.

VII.

This Accord and the Annex shall take effect upon their approval by the Swiss Parliament.

This Accord and the Annex have been written in English and French, both texts having the same validity.

ANNEX X

THE WASHINGTON ACCORD WITH SWEDEN ON EXTERNAL ASSETS

Text of the principal letter exchanged by the Swedish
and the Allied Delegations

18th July, 1946

Delegations representing the Governments of the United States of America, France, and the United Kingdom of Great Britain and Northern Ireland on the one hand (hereinafter referred to as the Allies) and the Government of Sweden on the other hand, have met in Washington and exchanged views on questions relative to German interests in Sweden and the elimination of any possible risk of those interests being used to support renewed German aggression.

Following this exchange of views, and in reaffirmation of their mutual support of these economic security objectives, the Swedish and Allied Delegations have arrived at the following understanding:

1. (a) The Swedish Government confirms its intention to pursue a program of economic security by the elimination of German interests in Sweden.
(b) The Swedish Government further affirms that the Foreign Capital Control Office (Flyktkapitalbyran or the FCCO) will, for this purpose, continue to uncover, take into control, liquidate, sell, or transfer German property, that the procedure already informally established between the FCCO and the Allied Missions in Stockholm shall be continued, as previously, as a means of exchanging information regarding the discovery and liquidation of German property and affording mutual assistance in this program.
2. The disposition of the proceeds of the German assets in Sweden after clearing against certain Swedish claims, will leave a balance which shall be considered to be 150 million kronor. To assist in preventing disease and unrest in Germany, this sum of 150 million kronor will be made available in a special account with the Swedish Riksbank to be used for financing such purchases — in Sweden or in any other market — of essential commodities for the German economy as may be agreed upon between the Swedish Government and the Allies. Insofar as such purchases are made in the Swedish market the deliveries will be limited by the scarcity of available supplies.
3. The German owners concerned shall be indemnified in German money for the property which has been liquidated or disposed of in Sweden pursuant to this understanding. For this purpose, the competent Swedish authority will give the Allies the necessary details with regard to the amount realized with particulars of the names and addresses of the German owners, and the Allied authorities in Germany will take the necessary steps in order that there will be recorded the title of the German owners of the property liquidated to receive the counter value thereof.

4. (a) In pursuance of its policy to restore looted property, the Swedish Government will effect restitution to the Allies of all gold acquired by Sweden and proved to have been taken by the Germans from occupied countries, including any such gold transferred by the Swedish Riksbank to third countries. Any claims by Governments of the occupied countries or their banks of issue not presented before July 1, 1947, shall be considered to be barred.
(b) On the basis of present evidence, subject to further checking, it is assumed that the gold the Swedish Government has to restore amounts to 7,155.32664 kilograms of fine gold, corresponding to the quantity of gold deriving from the Bank of Belgium which was acquired by the Swedish Riksbank and which is to be restituted in accordance with the foregoing.
(c) The Allied Governments undertake to hold the Swedish Government harmless from any claims deriving from transfers from the Swedish Riksbank to third countries of gold to be restituted according to the above declaration.
5. Divergencies on the interpretation and scope of the above clauses may, if the four Governments do not otherwise agree, be referred to arbitration.
6. The undersigned representatives of the Governments of the United States of America, France, and the United Kingdom of Great Britain and Northern Ireland state that insofar as the preceding provisions are concerned, they are also acting on behalf of the Governments of Albania, Australia, Belgium, Canada, Denmark, Egypt, Greece, India, Luxembourg, Norway, New Zealand, the Netherlands, Czechoslovakia, the Union of South Africa and Yugoslavia, and so far as it is material, the banks of issue of those countries.
7. (a) The three Allied Governments will make arrangements, through their Missions in Stockholm, for the admission of an official Swedish delegation which will be permitted to visit the zones of Germany in the charge of those Governments, and to inspect properties of corporations in which Swedish nationals have a substantial ownership interest, or which are directly owned by Swedish nationals. The inspection and other activities of the delegation will be limited only by general requirements of military security and convenience and by such general laws and regulations as are applicable to all persons travelling in Germany.
(b) It is the intention of the three Allied Governments to give non-discriminatory protection to the property in Germany of nationals of friendly foreign states, including property of corporations in which they have a substantial ownership interest. Provision will be made for equitable compensation in Germany with respect to removals and other dispositions of such properties by the Allied authorities in the zones of Germany occupied by them.
8. The Allied Governments will, in due time, require Germany or the future German Government to confirm the provisions of this understanding insofar as they affect German property in Sweden.
9. This understanding, together with the further letters exchanged today, shall, except where otherwise provided, take effect upon approval by the Swedish Riksdag.

Text of a letter addressed to the Chiefs of the Allied Delegations
by the Chief of the Swedish Delegation

I am authorized to make, on behalf of my Government, the following statement.

The Swedish Government in pursuing its policy to participate in the work of reconstruction and rehabilitation has in connection with the understanding we have reached found it appropriate to make the following contributions:

1. The Swedish Government will make available 50 million kronor to the Inter-Governmental Committee on Refugees for use in rehabilitation and resettlement for non-repatriable victims of German action.

You may rest assured that my Government, while reserving its decision as to the manner in which the funds will be made available, will use its best efforts to make the funds available as soon as possible and in such manner as to best carry out the aims of the Committee.

2. The Swedish Government will further make available 75 million kronor, which it will allocate among countries party to the Paris Agreement on Reparations. Decisions upon allocation will be made after exchanges of views with the Allies acting on behalf of those countries and with favorable consideration of their views.

There will also be consultation between the Swedish Government and each of the countries which may receive credit for any part of this sum as regards the extent to which or manner in which benefit from its share shall be applied either in the remission, reduction or extension of any existing or future credit with Sweden of each such country, or otherwise, as may be agreed between each such country and Sweden.

(Note: a series of further letters, amplifying those quoted above, or dealing with matters of procedure has been omitted)

ANNEX XI

GERMAN ASSETS IN SWEDEN

Resolution adopted by the Assembly of the Inter Allied Agency
on 15 September 1949

THE ASSEMBLY

RECALLING that more than two years have elapsed since the Negotiating Powers informed the Swedish Government, as provided by the Accord of 18 July 1946 on German assets in Sweden, of the Agency's unanimous decision that the sum of Swedish kronor 75 million available thereunder should be distributed to Member Governments according to their percentage entitlements as set forth in the Paris Agreement;

RECALLING that the Swedish Government has shown itself unwilling to accept the Agency's plan but instead proposed in September 1947 an allocation formula which would give certain Member Governments much less than their respective reparations entitlements under the Paris Agreement;

HAVING BEEN INFORMED by the Negotiating Powers that, despite efforts made during the past two years to obtain modification of the Swedish offer, the Swedish Government still has not seen fit to agree to make allocations in accordance with the shares of member Governments as set forth in the Paris Agreement;

DESIRING, however, to obtain immediate action by the Swedish Government in the allocation of these funds so urgently needed for the reparation of war damage:

REQUESTS THE NEGOTIATING POWERS TO INFORM THE SWEDISH GOVERNMENT THAT THE AGENCY ACCEPTS THE ALLOCATION PROPOSAL MADE BY THE SWEDISH GOVERNMENT IN SEPTEMBER 1947 AND, IN CONVEYING THIS ACCEPTANCE, TO EXPRESS THE HOPE THAT EACH RECIPIENT GOVERNMENT WILL BE PERMITTED TO USE ITS ALLOCATION IN THE FORM OF NEW CREDITS RATHER THAN IN THE REMISSION OR REDUCTION OF EXISTING DEBTS, THUS PROMOTING THAT "WORK OF RE-CONSTRUCTION AND RE-HABILITATION" TO WHICH THE SWEDISH GOVERNMENT SPECIALLY PLEDGED ITSELF IN THE ACCORD OF 18 JULY 1946.

ANNEX XII
THE MADRID ACCORD WITH SPAIN ON
GERMAN EXTERNAL ASSETS
10th May, 1948

A C C O R D

REGARDING THE ELIMINATION OF THE ECONOMIC POTENTIAL SITUATED IN SPAIN CAPABLE OF CONSTITUTING A DANGER TO PEACE, AND THE LIQUIDATION OF BALANCES AND PAYMENTS CLAIMS BETWEEN THE GOVERNMENTS OF SPAIN AND GERMANY.

Whereas, in due course the Governments of the United States of America, of France, and of the United Kingdom of Great Britain and Northern Ireland approached the Spanish Government, making known their wish that the latter adhere to Resolution VI of Bretton Woods, to the end of eliminating in Spanish territory the economic potential capable of constituting a danger to peace;

Whereas, the mutual desire of carrying out this common objective has been expressed in various Notes exchanged between the Spanish and the Allied Governments, especially those of October 28, 1946, by which it was acknowledged that, as a consequence of the Act of Surrender of Germany of Mai 7, 1945, and the Declaration of Berlin of the Allied Control Council dated June 5, 1945, the powers and authority of the Government of the German Reich had been assumed by a Representation of the Allied Governments, represented in Spain, for the purposes of this Accord, by the Governments of the United States of America, of France, and of the United Kingdom of Great Britain and Northern Ireland; and

Whereas, it is deemed convenient that the balances arising through trade and payments between the Governments of Spain and Germany, as well as certain claims pending between both States, be liquidated;

Now, therefore, the undersigned, duly appointed for the purpose of these negotiations, have entered into the following Accord, which will come into force through an exchange of Notes for that purpose.

ARTICLE I

Property situated in Spain, her Protectorates or Possessions (herein after referred to as "Spain"), belonging to persons of German nationality falling within the conditions defined in this Accord, shall be expropriated for reasons of national security under the conditions stipulated in legal dispositions which the Government of Spain may issue for that purpose.

ARTICLE II

For the purpose of this Accord, the term "property" refers to property or assets of every description as well as to the rights and interests which may exist therein, provided they were situated in Spain on May 5, 1945, as likewise to sums falling due between the last mentioned date and April 30, 1948 whether registered in the name of their true owners or in the names of interposed persons for the beneficial interest of such owners, and to those properties or assets referred to in the Decree Law of the Spanish Government of May 5, 1945, and not by subsequent disposition exempted therefrom.

ARTICLE III

The provisions of this Accord apply to all persons, natural and juridical, of German nationality not resident or domiciled in Spain — neither they nor their heirs at law (*derechohabientes*) — on May 5, 1945, as likewise to all those juridical persons domiciled in Spain, of whatever nationality, for that part of their capital which may belong to natural or juridical persons of German nationality not resident or domiciled in Spain as defined above. Natural persons of German nationality who are the object of an expulsion order by Spanish governmental authority, are considered as nonresident in Spain for the purposes of this article, even though for whatever reason said expulsion order may not have been executed.

ARTICLE IV

The Spanish Administration and the Representatives in Spain of the Allied Control Council for Germany (hereinafter referred to as the "Representatives") shall reciprocally maintain effective collaboration as regards the speedy and complete execution of this Accord. They will also exchange whatever information they may possess related to the identification of the foreign assets in Spain eventually to be expropriated.

ARTICLE V

The Representatives, in their capacity as representatives of the Government of Germany, will assume the protection of the interests of the owners of the expropriable properties in the conditions stipulated in this Accord and in the legal dispositions which the Government of Spain may issue for that purpose.

ARTICLE VI

In cases where the identification of assets liable to expropriation or the valuation thereof gives rise to differences of opinion which prevent agreement between the Spanish Administration and the Representatives, the question shall be submitted for the final and impartial judgment of a disinterested person chosen by both parties. Such person shall determine his own procedure, and his decision shall be binding upon the interested parties.

ARTICLE VII

Once the expropriation has been accomplished, the expropriated property will be allotted in a manner consistent with the requirements of the Spanish economy.

Persons who apply for the allocation to them of such property must establish to the satisfaction of the Spanish Administration that they are not acting in representation of, nor under a mandate for, nor in relation with, persons whose property has been expropriated or other persons affected by this Accord, in any manner whereby indirectly an economic potential capable of endangering peace might be reconstituted. Measures shall be adopted to insure that any infraction of this condition shall entail the nullification of the act of allocation and the forfeiture of all sums paid therefor. The Representatives may obtain and furnish pertinent information for the purposes mentioned.

ARTICLE VIII

Sums corresponding to the fair appraisal values (*justiprecios*) shall be inscribed in a special account opened in the Spanish Foreign Exchange Institute, mentioning separately the amounts corresponding to each valuation

in order to facilitate payment to the respective owners in Germany. The Spanish Foreign Exchange Institute shall communicate to the Representatives the deposits entered in said special account as they are made. The Government of Germany will adopt the necessary measures for payment to the respective owners in Germany of the equivalent, and the Spanish Government shall be discharged from all obligation of payment once the communication referred to above has been made and the terms of Article IX of this Accord have been carried out.

ARTICLE IX

Once acknowledgment of the communication of the Spanish Foreign Exchange Institute referred to in Article VIII has been received, the sums in pesetas realized from the expropriation shall be credited in an account to be opened in the Spanish Foreign Exchange Institute in the name of the Representatives. Drawings on this account and the use of the funds credited to it shall be subject to the provisions of this Accord and its supplements.

ARTICLE X

The provisions of Article VIII and IX of this Accord shall apply to the sums in pesetas deposited or due to be deposited in the Spanish Foreign Exchange Institute in fulfilment of the provisions of Article 2 of the Spanish Ministerial Order of May 14, 1945.

ARTICLE XI

As settlement of the balances between Spain and Germany, the sums set forth below shall be deducted from the account opened in the Spanish Foreign Exchange Institute in the name of the Representatives and shall be paid to the Spanish Government: 20 percent of the first 100 million pesetas realized from the sale of expropriated property; 22½ percent of the yield realized between 100 and 200 millions; 25 percent of that between 200 and 300; 27½ percent of that between 300 and 400, and 30 percent of any amount exceeding 400 million pesetas. The Spanish Government shall have free disposition of the amounts so deducted, and the remainder shall be distributed among the beneficiary Powers in the proportions determined by common agreement between the Powers signatory to this Accord. It is understood that the amounts so distributed shall not in any manner be transferred abroad or used for investment in Spain without the special agreement of the Spanish Government.

ARTICLE XII

The Allied Powers signatory to this Accord, in the name of the Government of Germany, hereby cede to the Spanish Government all rights, titles and interests possessed or exercisable by or in the name of the German Government or its agencies over the properties in Spain belonging to the institutions referred to in the Notes addressed on this date to the Spanish Government, as provided in Article One of the Decree Law of April 23, 1948.

The Spanish Government undertakes that said properties shall in no way revert to their previous owners nor be employed for their former purposes.

The Spanish Government hereby declares that the sums arising from the liquidation of the properties, rights, titles and interests hereby ceded

to it are destined as cover for the expenses which it shall have incurred in the execution of the legal dispositions referred to in this Accord or related thereto.

It is mutually agreed that as from the date of this Accord, the Spanish Government takes the place of the Government of Germany in all rights and liabilities related to the properties referred to in the present article.

ARTICLE XIII

The fulfilment of this Accord is accepted by both Parties as the total liquidation of all classes of claims and trade or payments balances between Spain and Germany respectively.

The foregoing provision does not affect either the right of any natural or juridical person of Spanish nationality to property in Germany or to indemnities or sums to which he may be entitled under German law, or claims or rights of the Spanish State in relation to its official property in Germany.

On the other hand, future trade and payments balances between Spain and Germany shall be adjusted to such agreements or dispositions as may become applicable.

ARTICLE XIV

As of the Date of this Accord, the special measures adopted by the Spanish Government for the blocking of the property of certain foreigners shall cease to be applied insofar as they do not refer to the assets which are the object of this Accord, and in accordance with the dispositions which may be issued for that purpose by the Spanish Administration.

ARTICLE XV

In the name of the Government of Germany and in exercise of the authority and rights conferred by the Act of Surrender of Germany of May 7, 1945, and by the Declaration of Berlin of June 5, 1945, the Allied Powers signatory to this Accord confirm the waiver of the claims referred to in Article XIII and guarantee the Government of Spain against any eventual or subsequent claim in relation to the settlement made as provided in Article VIII. They likewise undertake that Germany or whatever German Government succeeds the Allied Control Council for Germany in the government of Germany shall confirm the provisions of this Accord.

ARTICLE XVI

The Allied Powers signatory to this Accord acknowledge that it expresses satisfactorily the solidarity of the Government of Spain with the principles referred to in Paragraph One of the Preamble.

Done in Madrid on the 10th day of May 1948 in three texts, in Spanish, French and English, and in four originals of each, all equally authentic, one original of each text remaining in the possession of each one of the four signatory governments.

Signatures:

- President of Delegation of Spain.
- Chief of Delegation of the United States of America.
- Chief of Delegation of France.
- Chief of Delegation of the United Kingdom of Great Britain and Northern Ireland.

EXECUTIVE PROTOCOL SUPPLEMENTARY TO THE ACCORD
REGARDING THE ELIMINATION OF THE ECONOMIC POTENTIAL
SITUATED IN SPAIN CAPABLE OF CONSTITUTING A DANGER
TO PEACE, AND THE LIQUIDATION OF BALANCES AND
PAYMENTS CLAIMS BETWEEN THE GOVERNMENTS OF SPAIN
AND GERMANY.

For the purposes foreseen in the Accord signed on this date (hereinafter called the "Accord"), the Contracting Parties agree to the following Protocol which shall be considered an integral part thereof.

ARTICLE I

The application of the legislative measures which may be promulgated by the Spanish Government for the purposes set out in Article I of the Accord is the exclusive concern of the Spanish administration. It is agreed, on the other hand, that the Representatives in Spain of the Allied Control Council for Germany (hereinafter called the "Representatives") may intervene as provided in Articles IV, V and VII of the Accord, and that they shall permanently maintain relations with the competent bodies of the Spanish Administration for the purpose of exchanging information relative to the execution of those Articles, and proofs leading to the identification of the true owner of the assets defined as expropriable for reasons of national security, particularly where grounds exist to presume that persons have been interposed in title or that any deception has occurred contrary to the Accord or to the legislation in force in Spain. Both Parties shall communicate to each other the names of the persons designated for this purpose.

ARTICLE II

The fair appraisal value (justiprecio) shall be in accordance with a true valuation of the assets to be expropriated, as of the date of such estimate.

The interested Parties shall employ all means necessary to ascertain the true situation and the true value of the assets liable to expropriation and, for this purpose, the respective Interventors shall give them access to all archives, accounting records and other pertinent documents.

The interested Parties shall likewise exchange between themselves all information conducive to the determination of the true valuation of the assets to be expropriated. Once the fair appraisal value of the assets to be expropriated has been established and accepted by both parties, as provided in the Accord, the procedure laid down in Article VIII of the Accord shall be followed. Once this condition has been fulfilled, the Spanish Administration shall proceed freely to determine to whom the assets shall be allotted, without prejudice to the provisions of Article VII of the Accord, and to this Protocol, and also to settle the method of procedure to be followed in regard to the allotment.

ARTICLE III

It is understood that the official intervention to which the assets which are subject to expropriation for reasons of national security have been submitted, has for its object the conservation of such assets, and their true and better identification and evaluation, pending their allotment.

As witness our hands this 10th day of May, 1948, in Madrid.

Signatures:

- President of Delegation of Spain —
- Chief of Delegation of the United States of America —
- Chief of Delegation of France —
- Chief of Delegation of the United Kingdom of Great Britain and Northern Ireland —

FINANCIAL PROTOCOL SUPPLEMENTARY TO THE ACCORD
REGARDING THE ELIMINATION OF THE ECONOMIC POTENTIAL
SITUATED IN SPAIN CAPABLE OF CONSTITUTING A DANGER
TO PEACE, AND THE LIQUIDATION OF BALANCES AND
PAYMENTS CLAIMS BETWEEN THE GOVERNMENTS OF
SPAIN AND GERMANY

For the purposes foreseen in the Accord signed on this date (hereinafter referred to as the "Accord") the Contracting Parties agree to the following Protocol which shall be considered an integral part thereof.

ARTICLE I

In the execution of Article IX and XI of the Accord, the balances in the account opened in the Spanish Foreign Exchange Institute in the name of the Representatives in Spain of the Allied Control Council for Germany (hereinafter called the "Representatives"), after deduction of the sums payable to the Spanish Government, shall, in principle, be distributed proportionately in the following percentages:

Albania	0.05
U. S. A.	28.00
Australia	0.70
Belgium	2.70
Canada	3.50
Denmark	0.25
Egypt	0.05
France	16.00
United Kingdom	28.00
Greece	2.70
India and Pakistan	2.00
Luxemburg	0.15
Norway	1.30
New Zealand	0.40
Netherlands	3.90
Czechoslovakia	3.00
Union of South Africa	0.70
Yugoslavia	6.60

Subject to notification by them to the Spanish Administration, the Representatives may modify the allocations set forth by the above schedule of percentages, provided always that the sum total of the increases made does not exceed 25% of the total to be distributed.

It is understood that the percentages greater than 15% of the total may not be increased by more than 25% of their respective quotas, and that those of less than 15% of the total may not be increased by more than 50% of their quotas.

ARTICLE II

Deposits in individual accounts in the names of the beneficiary Powers, referred to in the previous Article, shall be made at any time at the request of the Representatives after deduction of the amounts payable to the Spanish Government as specified in Article XI of the Accord for payment of Spanish claims.

For this purpose, separate accounts in the names of each of the Governments concerned, in a Spanish bank of its choice, will be credited with the sums corresponding to their respective percentages, calculated on the balances in the account in the name of the Representatives.

Said accounts may be opened at sight or as time deposits upon prior agreement with the Spanish Foreign Exchange Institute, and the investment or transfer of the normal interest earned thereon shall be subject to the same rules as are established by the Accord and by this Protocol with regard to the principal.

ARTICLE III

The amounts credited in favor of the Governments referred to in Article I of this Protocol may be transferred abroad or used for investment in Spain or ceded to third parties, subject to agreement with the Spanish Government and always within general regulations applicable to trade and foreign exchange transactions between Spain and the country concerned in each case.

In agreement with the Spanish Government such amounts may be freely used for investments such as the acquisition of official buildings, payment of the personnel on official business or other similar purposes.

Such sums may also be utilized by the country concerned for the purchase of foreign exchange for investment in foreign participations in property expropriated for reasons of national security, subject to prior agreement with the Spanish Government, it being fully understood that such transactions shall follow the regulations applicable in each case.

ARTICLE IV

The Spanish Government declares that transfers, cessions or investments charged to the accounts referred to in the present Protocol will be authorized within the limits and possibilities of the Spanish economy. The Representatives accept this principle.

As witness our hands this 10th day of May, 1948, in Madrid.

Signatures:

- President of Delegation of Spain —
- Chief of Delegation of the United States of America —
- Chief of Delegation of France —
- Chief of Delegation of the United Kingdom of Great Britain and Northern Ireland —

(Note: a series of letters amplifying the Accord, or dealing with matters of procedure, has been omitted)

ANNEX XIII

RESOLUTION ON RELEASE OF SECURITIES ACCORDING TO THE TEST OF ISSUE

THE ASSEMBLY:

RECALLING its Resolution of 12 March 1948 wherein it recommended that Member Governments "enter without delay into discussions with other Governments concerned and otherwise use their best efforts to the end that all conflicting claims arising in respect of German external assets held under custodial control in their respective territories should be resolved by negotiation and where necessary by conciliation or arbitration not later than 24 January 1950";

OBSERVING, on the basis of the report made by the Secretary General that many inter-custodial conflicts will not have been settled by 24 January 1950;

CONSIDERING, however, that a prompt settlement at least of those conflicts which arise from seizure by a Member Government of securities certificates found in the territory of another Member Government would, in the interests of reparation accounting, be highly desirable; and

RECALLING that no Member Government has expressed any opposition to the test of issue as a principle to be applied between Member Governments for determining custodial jurisdiction over such securities:

1. REQUESTS all Member Governments which hold seized in their territories German-enemy-owned security certificates (shares, bonds, etc.) issued in the territory of other Member Governments, to release on a reciprocal basis such certificates to the latter Member Governments without awaiting the settlement of any inter-custodial custodial conflicts which may exist between them, this release to be effected if possible by 24 January 1950; it being understood that the country of issue is the country in which the principal obligor is located;
2. REQUESTS any Member Government, whose present legislation does not permit such release, to transmit on a reciprocal basis to the Member Governments of the countries of issue before 24 January 1950 lists of the certificates held together with descriptive information which will permit the latter Governments to identify and account for such assets.

ANNEX XIV

POSITION AS AT 31 DECEMBER 1949 OF CATEGORY A REPARATION ACCOUNTS (in \$ 1938)

Country	German Ext. Assets (excluding railway rolling stock in juris- diction of Member Governments)	Tangier	Agreement with Sweden	U.S.S.R. reciprocal deliveries	Captured Enemy supplies	Saar	Agreement with Spain	Total Charges
Albania	—	8	—	1.819	—	—	2.087	3.914
United States	78,457,633	4,405	9,334,256	1,121,765	—	—	1,168,249	90,086,308
Australia	807,441	110	—	26,926	—	—	28,209	863,686
Belgium	5,979,013	—	—	148,075	2,049,160	—	—	8,171,248
Canada	1,864,545	551	—	—	—	—	146,033	2,011,129
Denmark	10,857,491	—	—	—	5,193,015	—	—	16,050,506
Egypt	2,382,391	—	—	1,991	—	—	—	2,384,382
France	3,916,399	2,518	5,212,659	641,654	2,764,080	17,500,000	667,571	30,704,891
United Kingdom	25,634,909	4,405	9,334,256	1,243,561	—	—	1,168,249	37,415,380
Greece	1,113,252	425	—	158,314	—	—	11,2654	1,384,645
India	3,106,283	259	—	71,600	—	—	68,844	3,246,991
Pakistan	55	—	—	9,051	—	—	14,603	23,709
Luxembourg	976,534	—	—	—	36,764	—	—	1,013,298
Norway	3,185,371	—	—	—	2,468,201	—	—	5,653,572
New Zealand	136,870	63	—	—	—	—	16,693	153,126
Netherlands	25,109,595	—	—	172,636	2,230,739	—	—	27,512,970
Czechoslovakia	3,189,265	472	—	120,882	—	—	125,174	3,435,793
Union of South Africa	6,940,352	—	—	—	—	—	—	6,940,352
Yugoslavia	3,744,722	1,039	1,481,628	294,749	—	—	275,377	5,797,515
Totals	177,431,571	14,310	25,362,799	4,008,023	14,741,969	17,500,000	3,794,743	242,853,415

ANNEX XV

STATEMENT OF REPARATION ACCOUNTS — CATEGORY B — AS AT 31 DECEMBER 1949 (in 1938 RM.)

Country	Act of Paris Percentages Categories	Industrial Capital Equipment (in RM.)				Total Allocation	
		Total of the first 55 programs	British Emer- gency Delivery Scheme	French Emergen- cy Delivery Scheme	Unilateral Deliveries	Merchant Shipping	Value
Albania	0, ⁰	R.M.	R.M.	R.M.	R.M.	R.M.	%
United States	0,35	3,595,349,06	—	212,876,—	—	80,015	3,888,249,06
Australia	11,50	18,390,755,22	—	—	18,990,000	11,640,787	49,931,512,22
Belgium	0,95	7,759,958,92	493,593,10	250,028,—	—	377,893	8,881,563,02
Canada	4,50	23,517,292,32	1,228,406,65	855,047,—	—	2,362,123	27,962,868,97
Denmark	1,50	—	—	—	—	3,632,934	3,632,934,—
Egypt	0,35	1,509,535,36	169,143,84	219,827,—	—	3,009,415	4,907,921,20
France	0,20	31,937,—	—	—	—	692,987	724,924,—
United Kingdom	22,80	99,450,826,09	5,053,092,22	2,928,094,—	16,520,000	25,447,335	149,399,347,31
Greece	27,80	85,612,164,11	5,355,178,22	357,490,—	7,377,461	88,633,376	187,335,669,33
India	4,35	25,238,198,31	1,438,879,—	1,468,152,—	—	6,889,274	35,064,003,31
Luxembourg	2,39	16,937,307,65	1,045,250,49	2,105,539,—	—	—	20,088,097,10
Norway	0,40	1,909,790,55	142,869,05	208,637,—	—	—	2,260,796,60
New Zealand	1,90	4,786,462,28	461,455,19	133,739,—	—	17,182,694	22,664,350,47
Pakistan	0,60	2,317,916,71	238,257,37	395,828,—	—	650,988	3,602,990,08
Netherlands	0,51	4,203,441,46	67,661,95	67,374,—	—	—	4,338,477,41
Czechoslovakia	5,60	17,446,260,50	492,372,96	738,802,—	—	9,274,630	27,952,065,46
Union of South Africa	4,30	29,608,451,34	543,500,47	814,305,20	—	—	30,966,557,01
Yugoslavia	9,60	88,024,652,31	8,738,003,70	1,535,209,50	—	—	—
Totals	100,—	430,250,269,19	20,496,964,17	12,290,942,70	43,887,461	172,888,024	679,813,661,06
					3,018,473	96,311,338,51	14,17
							100,—

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